

Forty-eighth Legislature
Second Regular Session

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1031

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Subject to applicable laws, the sums or sources of revenue set forth in this act are appropriated for the fiscal years indicated and only from the funding sources listed for the purposes and objects specified and the performance measures are indicated as legislative intent. If monies from funding sources in this act are made unavailable, no other funding source shall be used.

Sec. 2. DEPARTMENT OF ADMINISTRATION

2008-09

State general fund

FTE positions	301.3
Operating lump sum appropriation	\$ 19,043,900
ENSCO	2,867,300
Arizona financial information system	1,115,200
Statewide telecommunications management contract lease payment	851,800
Utilities	625,700
County attorney immigration enforcement	<u>2,430,000</u>
Total - general fund	\$ 26,933,900

Performance measures:

Per cent of ADOA services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	85
Per cent of procurement plan award dates met for the RFP process	77
Customer satisfaction with establishing contracts (Scale 1-8)	6.9
Customer satisfaction with administering contracts (Scale 1-8)	6.7
Customer satisfaction rating for the operation of AFIS (Scale 1-8)	7.5
Average capitol police response time to emergency calls (in minutes and seconds)	1:40

The department may collect an amount of not to exceed \$1,762,600 from other funding sources, excluding federal funds, to recover pro rata costs of operating AFIS II. Any amounts left unspent from the Arizona financial information system line item shall revert to the state general fund.

The \$2,430,000 appropriated to the county attorney immigration enforcement line item shall be distributed as follows: \$1,430,000 to each county attorney of a county in this state having a population of 1,500,000 or more persons and \$500,000 to each county attorney of a county in this state having a population of 800,000 or more persons but less than 1,500,000 persons. The remainder of the monies are to be distributed as equally as possible to each county attorney of counties in this state having a population of less than 500,000 persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing section 23-212, Arizona Revised Statutes. These appropriations are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Air quality fund

Lump sum appropriation \$ 800,200

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)

6.7

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund

FTE positions 56.7

Operating lump sum appropriation \$ 5,159,900

Utilities 7,349,900

Relocation 60,000

Total - capital outlay stabilization

fund \$ 12,569,800

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8)

6.5

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2009.

Corrections fund

FTE positions 9.3

Lump sum appropriation \$ 677,300

The intent of the legislature is for the amount appropriated from the corrections fund to be expended solely for the oversight of construction projects benefiting the state department of corrections or the department of juvenile corrections.

Motor vehicle pool revolving fund

FTE positions 19.0

Lump sum appropriation \$ 10,765,200

1 Performance measures:

2 Customer satisfaction with short-term (day use)

3 vehicle rental (Scale 1-8) 7.7

4 It is the intent of the legislature that the department not replace

5 vehicles until an average of 120,000 miles, or more.

6 Telecommunications fund

7 FTE positions 22.0

8 Lump sum appropriation \$ 2,905,600

9 Performance measures:

10 Customer satisfaction rating for the wide area

11 network (MAGNET) (Scale 1-8) 6.4

12 Customer satisfaction rating for statewide

13 telecommunications management contract

14 services (Scale 1-8) 6.0

15 Information technology fund

16 FTE positions 7.3

17 Lump sum appropriation \$ 1,000,000

18 Automation operations fund

19 FTE positions 158.4

20 Lump sum appropriation \$ 22,102,400

21 Performance measures:

22 Customer satisfaction rating for mainframe

23 services based on annual survey (Scale 1-8) 7.0

24 The appropriation for the automation operations fund is an estimate

25 representing all monies, including balance forward, revenue and transfers

26 during fiscal year 2008-2009. These monies are appropriated to the

27 department of administration for the purposes established in section 41-711,

28 Arizona Revised Statutes. The appropriation shall be adjusted as necessary

29 to reflect receipts credited to the automation operations fund for automation

30 operation center projects. Expenditures for all additional automation

31 operation center projects above the \$22,102,400 appropriation shall be

32 subject to review by the joint legislative budget committee, following

33 approval of the government information technology agency. Expenditures for

34 each additional project shall not exceed the specific revenues of that

35 project.

36 Risk management fund

37 FTE positions 96.0

38 Operating lump sum appropriation \$ 7,990,800

39 Risk management losses and premiums 45,371,300

40 Workers' compensation losses and

41 premiums 30,112,300

42 External legal services 5,592,200

43 Nonlegal related expenditures 3,153,900

44 Total - risk management fund \$ 92,220,500

45 Performance measures:

46 Workers' compensation incidence rates/100

47 FTE positions 4.1

48 Customer satisfaction with self-insurance

1	(Scale 1-8)	7.5
2	<u>Personnel division fund</u>	
3	FTE positions	139.0
4	Operating lump sum appropriation	\$ 12,966,500
5	Human resources information solution	
6	certificate of participation	<u>4,354,000</u>
7	Total - personnel division fund	\$ 17,320,500
8	Performance measures:	
9	Customer satisfaction with employee training	
10	(Scale 1-8)	6.1
11	<u>Special employee health insurance</u>	
12	<u>trust fund</u>	
13	FTE positions	39.0
14	Operating lump sum appropriation	\$ 4,776,900
15	Employee wellness program	<u>300,000</u>
16	Total - special employee health	
17	insurance trust fund	\$ 5,076,900
18	Performance measures:	
19	Customer satisfaction with benefit plans	
20	(Scale 1-8)	6.2
21	<u>State surplus materials revolving</u>	
22	<u>fund</u>	
23	FTE positions	16.0
24	Operating lump sum appropriation	\$ 1,161,900
25	State surplus property sales	
26	proceeds	<u>3,000,000</u>
27	Total - state surplus materials	
28	revolving fund	\$ 4,161,900
29	All state surplus property sales proceeds received by the department in	
30	excess of \$3,000,000 are appropriated. Before the expenditure of any state	
31	surplus property sales proceeds in excess of \$3,000,000, the department shall	
32	report the intended use of the monies to the joint legislative budget	
33	committee.	
34	<u>Federal surplus materials revolving</u>	
35	<u>fund</u>	
36	FTE positions	7.0
37	Lump sum appropriation	<u>\$ 444,300</u>
38	Total appropriation - department of	
39	administration	\$196,978,500
40	Fund sources:	
41	State general fund	\$ 26,933,900
42	Other appropriated funds	170,044,600
43	Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
44		<u>2008-09</u>
45	<u>Administration</u>	
46	FTE positions	3,167.8
47	Operating lump sum appropriation	\$ 70,107,600
48	DOA data center charges	5,717,500

House Amendments to S.B. 1031

1	DES eligibility	55,687,400
2	DES title XIX pass-through	357,800
3	Healthcare group administration	
4	and reinsurance	6,521,000
5	Indian advisory council	232,900
6	Office of administrative hearings	271,300
7	KidsCare - administration	7,411,100
8	Proposition 204 - AHCCCS	
9	administration	<u>11,401,700</u>
10	Proposition 204 - DES	
11	eligibility	40,229,100
12	Claims computer system replacement	2,090,900
13	DES eligibility system upgrade	<u>2,600,000</u>
14	Total appropriation and expenditure	
15	authority - administration	\$202,628,300
16	Fund sources:	
17	State general fund	\$ 86,692,400
18	Budget neutrality compliance	
19	fund	2,841,000
20	Children's health insurance	
21	program fund	5,640,900
22	Healthcare group fund	6,521,000
23	Expenditure authority	100,933,000
24	Performance measures:	
25	Per cent of applications processed on time	95
26	Customer satisfaction rating for eligibility	
27	determination clients (Scale 1-8)	6.0
28	The amounts appropriated for the department of economic security	
29	eligibility line item shall be used for intergovernmental agreements with the	
30	department of economic security for the purpose of eligibility determination	
31	and other functions. The general fund share may be used for eligibility	
32	determination for other programs administered by the division of benefits and	
33	medical eligibility based on the results of the Arizona random moment	
34	sampling survey.	
35	<u>Acute care</u>	
36	Capitation	\$2,135,865,900
37	Reinsurance	134,202,200
38	Fee-for-service	577,716,600
39	Medicare premiums	96,275,300
40	Graduate medical education	44,906,200
41	Temporary medical coverage	11,597,200
42	Disproportionate share payments	30,350,000
43	Critical access hospitals	1,700,000
44	Hospital residency loan program	1,000,000
45	Breast and cervical cancer	1,530,000
46	Ticket to work	8,913,400
47	Dual eligible part D copay subsidy	1,029,700
48	Proposition 204 - capitation	1,205,445,600

House Amendments to S.B. 1031

1	Proposition 204 - reinsurance	129,920,200
2	Proposition 204 - fee-for-service	243,375,100
3	Proposition 204 - medicare	
4	premiums	31,316,900
5	Proposition 204 - county hold	
6	harmless	4,825,600
7	KidsCare - children	145,267,700
8	Rural hospital reimbursement	12,158,100
9	Medicare clawback payments	<u>28,844,600</u>
10	Total appropriation and expenditure	
11	authority - acute care	\$4,846,240,300
12	Fund sources:	
13	State general fund	\$1,229,528,500
14	Children's health insurance	
15	program fund	112,270,900
16	Tobacco tax and health care	
17	fund - medically needy	
18	account	62,886,200
19	Tobacco products tax fund -	
20	emergency health services	
21	account	25,716,500
22	Temporary medical coverage fund	3,247,200
23	Expenditure authority	3,412,591,000
24	Performance measures:	
25	Per cent of AHCCCS children receiving well	
26	child visits in the first 15 months of	
27	life (EPSDT)	60
28	Per cent of AHCCCS children's access to	
29	primary care provider	85
30	Per cent of AHCCCS women receiving annual	
31	cervical screening	60
32	Member satisfaction as measured by	
33	percentage of enrollees that choose	
34	to change health plans	2.0
35	The \$30,350,000 appropriation for disproportionate share payments for	
36	fiscal year 2008-2009 made pursuant to section 36-2903.01, subsection P,	
37	Arizona Revised Statutes, includes \$4,202,300 for the Maricopa County	
38	Healthcare District and \$26,147,700 for private qualifying disproportionate	
39	share hospitals.	
40	Of the \$4,825,600 appropriated for the proposition 204 county hold	
41	harmless line item, \$234,200 is allocated to Graham county, \$3,817,800 to	
42	Pima county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800	
43	to Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in	
44	revenue due to the implementation of proposition 204, and shall be used for	
45	indigent health care costs.	
46	<u>Long-term care</u>	
47	Program lump sum appropriation	\$1,184,799,700
48	Medicare clawback payments	20,740,900

1	Dual eligible part D copay	
2	subsidy	470,300
3	Board of nursing	<u>209,700</u>
4	Total appropriation and expenditure	
5	authority - long-term care	\$1,206,220,600
6	Fund sources:	
7	State general fund	\$ 142,079,400
8	Budget neutrality compliance fund	\$ 22,351,500
9	Expenditure authority	1,041,789,700
10	Performance measures:	
11	Per cent of members utilizing home and	
12	community based services (HCBS)	67
13	Per cent of ALTCS eligibility as measured by	
14	quality control sample	99
15	Any federal funds that the Arizona health care cost containment system	
16	administration passes through to the department of economic security for use	
17	in long-term administration care for the developmentally disabled shall not	
18	count against the long-term care expenditure authority above.	
19	Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the	
20	county portion of the fiscal year 2008-2009 nonfederal portion of the costs	
21	of providing long-term care system services is \$257,987,800. This amount is	
22	included in the expenditure authority fund source.	
23	Monies from the budget neutrality compliance fund may be used to	
24	support the Arizona long-term care system.	
25	Agencywide lump sum reduction	\$(161,140,400)
26	Fund sources:	
27	State general fund	\$ (80,570,200)
28	Expenditure authority	\$ (80,570,200)
29	Total appropriation and expenditure	
30	authority - Arizona health	
31	care cost containment system	<u>\$6,093,948,800</u>
32	Appropriated fund sources:	
33	State general fund	\$1,377,730,100
34	Budget neutrality compliance fund	25,192,500
35	Children's health insurance	
36	program fund	117,911,800
37	Healthcare group fund	6,521,000
38	Tobacco products tax fund -	
39	emergency health services	
40	account	25,716,500
41	Tobacco tax and health care	
42	fund - medically needy account	62,886,200
43	Temporary medical coverage fund	3,247,200
44	Expenditure authority	\$4,474,743,500
45	Performance measures:	
46	Per cent of people under age 65 that	
47	are uninsured	15.5
48	Before making fee-for-service program or rate changes that pertain to	

hospital, nursing facility or home and community based services rates or for any of the other fee-for-service rate categories that have increases that, in the aggregate, are two per cent above and \$1,500,000 from the state general fund greater than budgeted medical inflation in fiscal year 2008-2009, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee.

The Arizona health care cost containment system administration shall report to the joint legislative budget committee by March 1 of each year on the preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee. Before the administration implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

For the contract year beginning October 1, 2008, the administration may expend funds for federally-matched preventive adult dental services of up to \$1,000 per ALTCS member and federally-matched hospice services to non-ALTCS members.

Sec. 4. ARIZONA COMMUNITY COLLEGES

	<u>2008-09</u>
<u>Equalization aid</u>	
Cochise	\$ 5,648,800
Graham	14,308,100
Navajo	5,216,000
Yuma/La Paz	<u>1,870,300</u>
Total - equalization aid	\$ 27,043,200
<u>Operating state aid</u>	
Cochise	\$ 8,040,400
Coconino	3,142,700
Gila	690,500
Graham	4,983,000
Maricopa	53,223,100
Mohave	3,934,700
Navajo	4,017,400
Pima	18,100,700
Pinal	5,669,000
Yavapai	4,748,200
Yuma/La Paz	<u>5,219,800</u>
Total - operating state aid	\$111,769,500
Rural county reimbursement subsidy	<u>\$ 1,200,000</u>

1	Total appropriation - Arizona community	
2	colleges	\$140,012,700
3	Fund sources:	
4	State general fund	\$140,012,700
5	Performance measures:	
6	Number of applied baccalaureate programs	
7	collaboratively developed with universities	34
8	Of the \$1,200,000 appropriated to the rural county reimbursement	
9	subsidy line item, Apache county will receive \$559,200, Greenlee county	
10	\$459,300, and Santa Cruz county \$181,500.	
11	Sec. 5. DEPARTMENT OF CORRECTIONS	
12		<u>2008-09</u>
13	FTE positions	9,932.5
14	Correctional officer personal services	\$289,976,900
15	Health care personal services	37,449,400
16	All other personal services	71,794,000
17	Employee-related expenditures	160,727,900
18	Personal services and employee-related	
19	expenditures for overtime/compensatory	
20	time	24,331,400
21	Health care all other operating	
22	expenditures	86,607,900
23	Non-health care all other operating	
24	expenditures	<u>122,035,700</u>
25	Total - operating budget	\$792,923,200
26	Fund sources:	
27	State general fund	\$778,044,400
28	State education fund for	
29	correctional education	429,900
30	Alcohol abuse treatment fund	599,300
31	Penitentiary land fund	198,700
32	State charitable, penal and	
33	reformatory institutions	
34	land fund	1,240,500
35	Corrections fund	380,400
36	Transition office fund	180,000
37	Transition program drug treatment	
38	fund	600,000
39	Prison construction and operations	
40	fund	11,250,000
41	County jail beds	\$ 866,200
42	Fund sources:	
43	State general fund	\$ 866,200
44	New state prison beds	\$ 2,822,000
45	Fund sources:	
46	State charitable, penal and	
47	reformatory land fund	\$ 2,822,000
48	Private prison per diem	\$ 82,952,600

Fund sources:

State general fund	\$ 52,478,300
Corrections fund	28,674,300
Penitentiary land fund	1,000,000
Prison construction and operations fund	800,000
Provisional beds	\$102,902,900

Fund sources:

State general fund	\$ 98,846,700
Prison construction and operations fund	3,000,000
Penitentiary land fund	1,056,200

Performance measures:

Escapes from secure facilities	0
Number of inmates receiving the general equivalency diploma	2,500
Number of inmate random positive urinalysis results	1,400

The personal services and employee-related expenditures for overtime/compensatory time line item includes monies for personal services and employee related expenditure costs from overtime and compensatory time payouts accrued by department employees in fiscal year 2008-2009.

Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for county jail beds, new state prison beds, personal services and employee-related expenditures for overtime/compensatory time, private prison per diem or provisional beds line items shall require review by the joint legislative budget committee.

Before altering its bed capacity by closing state-operated prison beds, canceling or not renewing contracts for privately-operated prison beds, the department of corrections shall submit a bed plan detailing the proposed bed closures for review by the joint legislative budget committee.

Before placing any additional inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds in facilities that are located in Arizona and that house Arizona inmates, unless the out-of-state provisional beds are of a comparable security level and price.

A monthly report comparing department of corrections expenditures for the month and year-to-date as compared to prior year expenditures shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include at least each line item of appropriation and the main components of all other operating expenditures. The report shall include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

Department of corrections personnel in the correctional officer series who receive a geographic stipend shall not retain the geographic stipend

associated with that facility when transferring to other department facilities.

One hundred per cent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

Before the expenditure of any state education fund for correctional education receipts in excess of \$429,900, the department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

The department of corrections shall work with the department of public safety's gang and immigration intelligence team enforcement mission to combat gang activity. The department of corrections and the department of public safety shall report jointly to the joint legislative budget committee by December 1, 2008 on their collaborative efforts and procedures.

Sec. 6. DEPARTMENT OF ECONOMIC SECURITY

2008-09

Administration

FTE positions	302.2
Operating lump sum appropriation	\$ 44,154,300
Fund sources:	
State general fund	\$ 34,605,500
Federal child care and development fund block grant	1,147,600
Federal temporary assistance for needy families block grant	6,023,900
Public assistance collections fund	408,100
Special administration fund	621,000
Spinal and head injuries trust fund	89,000
Statewide cost allocation plan fund	1,000,000
Federal Reed act grant	259,200
Finger imaging	\$ 738,900
Fund sources:	
State general fund	\$ 461,400
Federal temporary assistance for needy families block grant	277,500
Attorney general legal services	\$ 1,049,800
Fund sources:	
State general fund	\$ 755,700

1	Federal child care and development	
2	fund block grant	17,300
3	Federal temporary assistance for	
4	needy families block grant	167,900
5	Public assistance collections	
6	fund	108,900
7	Triagency disaster recovery	\$ 271,500

8 Fund sources:

9	Risk management fund	\$ 271,500
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10 In accordance with section 35-142.01, Arizona Revised Statutes, the
 11 department of economic security shall remit to the department of
 12 administration any monies received as reimbursement from the federal
 13 government or any other source for the operation of the department of
 14 economic security west building and any other building lease-purchased by the
 15 state of Arizona in which the department of economic security occupies space.
 16 The department of administration shall deposit these monies in the state
 17 general fund.

18 In accordance with section 38-654, Arizona Revised Statutes, the
 19 department of economic security shall transfer to the department of
 20 administration for deposit in the special employee health insurance trust
 21 fund any unexpended state general fund monies at the end of each fiscal year
 22 appropriated for employer health insurance contributions.

23 Developmental disabilities

24	FTE positions	1,921.9
25	Operating lump sum appropriation	\$ 38,744,800

26 Fund sources:

27	State general fund	\$ 16,013,700
28	Expenditure authority	22,731,100
29	Case management - Title XIX	\$ 42,630,900

30 Fund sources:

31	State general fund	\$ 14,546,700
32	Expenditure authority	28,084,200
33	Home and community based	
34	services - Title XIX	\$629,873,200

35 Fund sources:

36	State general fund	\$214,965,200
37	Expenditure authority	414,908,000
38	Institutional services - Title XIX	\$ 15,164,800

39 Fund sources:

40	State general fund	\$ 5,174,600
41	Expenditure authority	9,990,200
42	Medical services	\$135,103,500

43 Fund sources:

44	State general fund	\$ 46,100,700
45	Expenditure authority	89,002,800
46	Arizona training program at	
47	Coolidge - Title XIX	\$ 17,083,200

48 Fund sources:

House Amendments to S.B. 1031

1	State general fund	\$ 5,829,200
2	Expenditure authority	11,254,000
3	Medicare clawback payments	\$ 2,206,600
4	Fund sources:	
5	State general fund	\$ 2,206,600
6	Case management - State-only	\$ 4,537,600
7	Fund sources:	
8	State general fund	\$ 4,537,600
9	Home and community based	
10	services - State-only	\$ 37,776,400
11	Fund sources:	
12	State general fund	\$ 35,873,900
13	Long-term care system fund	1,902,500
14	Institutional services - State-only	\$ 294,900
15	Fund sources:	
16	State general fund	\$ 294,900
17	Arizona training program at	
18	Coolidge - State-only	\$ 572,400
19	Fund sources:	
20	State general fund	\$ 572,400
21	State-funded long-term care	
22	services	\$ 26,383,200
23	Fund sources:	
24	State general fund	\$ 762,900
25	Long-term care system fund	25,620,300
26	Autism training and oversight	\$ 200,000
27	Fund sources:	
28	Tobacco tax and healthcare -	
29	health research account	\$ 200,000
30	Children's autism intensive	
31	behavioral treatment services	\$ 1,800,000
32	Fund sources:	
33	State general fund	\$ 1,800,000
34	Children's autism intensive early	
35	intervention services for toddlers	\$ 500,000
36	Fund sources:	
37	State general fund	\$ 500,000
38	Performance measures:	
39	Per cent of consumer satisfaction with	
40	case management services	98
41	Per cent of relatives and caregivers of	
42	consumers stating the services received	
43	meet the consumer's needs	95
44	Per cent of relatives and caregivers satisfied	
45	with the providers of services received	95
46	It is the intent of the legislature that any available surplus monies	
47	for developmental disability programs be applied toward the waiting list,	
48	unless there are insufficient monies to annualize these costs in the	

1 subsequent year. The children's waiting list shall receive first priority.
2 The amount appropriated for developmental disabilities shall be used to
3 provide for services for nontitle XIX eligible clients. The amount shall not
4 be used for other purposes, unless a transfer of monies is reviewed by the
5 joint legislative budget committee.

6 The department of economic security shall report all new placements
7 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
8 in fiscal year 2008-2009 to the president of the senate, the speaker of the
9 house of representatives, the chairpersons of the senate and house of
10 representatives appropriations committees and the director of the joint
11 legislative budget committee and the reason why this placement, rather than a
12 placement into a privately run facility for the developmentally disabled, was
13 deemed as the most appropriate placement. The department shall also report
14 if no new placements were made. This report shall be made available by July
15 15, 2009.

16 The department shall report to the joint legislative budget committee
17 by March 1 of each year on preliminary actuarial estimates of the capitation
18 rate changes for the following fiscal year along with the reasons for the
19 estimated changes. For any actuarial estimates that include a range, the
20 total range from minimum to maximum shall be not more than two per cent.
21 Before implementation of any changes in capitation rates for the long-term
22 care program, the department of economic security shall report for review the
23 expenditure plan to the joint legislative budget committee. Before the
24 department implements any changes in policy affecting the amount,
25 sufficiency, duration and scope of health care services and who may provide
26 services, the department shall prepare a fiscal impact analysis on the
27 potential effects of this change on the following year's capitation rates.
28 If the fiscal analysis demonstrates that these changes will result in
29 additional state costs of \$500,000 or greater for a given fiscal year, the
30 department shall submit the policy changes for review by the joint
31 legislative budget committee.

32 The appropriated amount provides funding for a fiscal year 2008-2009
33 capitation rate increase of 3.0 per cent above fiscal year 2007-2008
34 excluding salary, benefits, and other statewide adjustments. The department
35 shall reallocate resources within its existing budget to pay for any
36 capitation rate increases above 4.0 per cent excluding salary, benefits, and
37 other statewide adjustments without supplemental funding.

38 Prior to the implementation of any developmentally disabled or
39 long-term care statewide provider rate increases not already specifically
40 authorized by the legislature, court mandates or changes to federal law, the
41 department shall submit a report for review by the joint legislative budget
42 committee. The report shall include, at a minimum, the estimated cost of the
43 provider rate increase and the ongoing source of funding for the increase.

44 All monies in the long-term care system fund unexpended and
45 unencumbered at the end of fiscal year 2008-2009 revert to the state general
46 fund, subject to approval by the Arizona health care cost containment system
47 administration.

48 Benefits and medical eligibility

1	FTE positions	575.6
2	Operating lump sum appropriation	\$ 34,230,200
3	Fund sources:	
4	State general fund	\$ 23,851,900
5	Federal temporary assistance	
6	for needy families block grant	10,378,300
7	Temporary assistance for	
8	needy families cash	
9	benefits	\$125,148,000
10	Fund sources:	
11	State general fund	\$ 45,850,800
12	Federal temporary assistance	
13	for needy families block	
14	grant	79,297,200
15	General assistance	\$ 2,060,800
16	Fund sources:	
17	State general fund	\$ 2,060,800
18	Tribal pass-through funding	\$ 4,288,700
19	Fund sources:	
20	State general fund	\$ 4,288,700
21	Tuberculosis control payments	\$ 32,200
22	Fund sources:	
23	State general fund	\$ 32,200
24	Document management	\$ 494,600
25	Fund sources:	
26	State general fund	\$ 494,600
27	Eligibility system upgrade	\$ 963,300
28	Fund sources:	
29	State general fund	\$ 963,300
30	Performance measures:	
31	Per cent of cash benefits issued timely	98.6
32	Per cent of total cash benefits payments	
33	issued accurately	95.0
34	Per cent of total food stamps payments	
35	issued accurately	96.0
36	Per cent of clients satisfied with family	
37	assistance administration	90.0

38 The operating lump sum appropriation may be expended on Arizona health
 39 care cost containment system eligibility determinations based on the results
 40 of the Arizona random moment sampling survey.

41 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 42 any transfer to or from the \$125,148,000 appropriated for temporary
 43 assistance for needy families cash benefits requires review by the joint
 44 legislative budget committee.

45 Of the amount appropriated for temporary assistance for needy families
 46 cash benefits, \$500,000 reflects appropriation authority only to ensure
 47 sufficient cashflow to administer cash benefits for tribes operating their
 48 own welfare programs. The department shall notify the joint legislative

budget committee and the governor's office of strategic planning and budgeting staff before the use of any of the \$500,000 appropriation authority.

Child support enforcement

FTE positions	863.8
Operating lump sum appropriation	\$ 48,729,300

Fund sources:

State general fund	\$ 8,087,000
Child support enforcement administration fund	11,310,400
Expenditure authority	29,331,900
Genetic testing	\$ 360,000

Fund sources:

State general fund	\$ 122,400
Expenditure authority	237,600
County participation	\$ 6,845,200

Fund sources:

Child support enforcement administration fund	\$ 1,384,100
Expenditure authority	5,461,100
Attorney general legal services	\$ 9,922,500

Fund sources:

State general fund	\$ 910,600
Child support enforcement administration fund	2,425,100
Expenditure authority	6,586,800

Performance measures:

Total IV-D collections	\$370,700,000
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Ratio of current IV-D support collected and distributed to current IV-D support due

50.4

All state share of retained earnings, fees and federal incentives above \$15,119,600 received by the division of child support enforcement are appropriated for operating expenditures. New full-time equivalent positions may be authorized with the increased funding. The division of child support enforcement shall report the intended use of the monies to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting.

Aging and community services

FTE positions	109.6
Operating lump sum appropriation	\$ 7,069,900

Fund sources:

State general fund	\$ 6,822,400
Federal temporary assistance for needy families block grant	247,500

1	Adult services	\$ 19,277,700
2	Fund sources:	
3	State general fund	\$ 19,277,700
4	Community and emergency	
5	services	\$ 5,424,900
6	Fund sources:	
7	Federal temporary assistance	
8	for needy families block	
9	grant	\$ 5,424,900
10	Coordinated hunger	\$ 2,014,600
11	Fund sources:	
12	State general fund	\$ 1,514,600
13	Federal temporary assistance	
14	for needy families block	
15	grant	500,000
16	Coordinated homeless	\$ 2,804,900
17	Fund sources:	
18	State general fund	\$ 1,155,400
19	Federal temporary assistance	
20	for needy families block	
21	grant	1,649,500
22	Domestic violence prevention	\$ 16,647,400
23	Fund sources:	
24	State general fund	\$ 8,326,700
25	Federal temporary assistance	
26	for needy families block	
27	grant	6,620,700
28	Domestic violence shelter fund	1,700,000
29	Community-based marriage and	
30	communication skills program	
31	fund deposit	\$ 1,200,000
32	Fund sources:	
33	State general fund	\$ 1,200,000
34	Lifespan respite care	\$ 500,000
35	Fund sources:	
36	State general fund	\$ 500,000

37 Performance measures:

38 Adult protective services investigation

39 per cent rate 100

40 The department shall report on activities of food distribution efforts

41 funded through the monies in the coordinated hunger line item to the joint

42 legislative budget committee by March 15, 2009. The report shall demonstrate

43 how the food was distributed and shall include letters from each

44 participating food bank stating its satisfaction with the distribution and

45 the department shall verify that food products have been distributed through

46 regional food banks to all rural areas of the state.

47 All domestic violence shelter fund monies above \$1,700,000 received by

48 the department of economic security are appropriated for the domestic

1 violence prevention line item. The department of economic security shall
2 report the intended use of the monies above \$1,700,000 to the joint
3 legislative budget committee.

4 The department of economic security shall report to the joint
5 legislative budget committee on the amount of state and federal monies
6 available statewide for domestic violence funding by December 15, 2008. The
7 report shall include, at a minimum, the amount of monies available and the
8 state fiscal agent receiving those monies.

9 The department shall apply for the maximum allowable federal temporary
10 assistance for needy families block grant funding in fiscal year 2008-2009
11 available to the state through a grant program to promote healthy marriages
12 and responsible fatherhood. These monies shall be deposited in the
13 community-based marriage and communication skills program fund established by
14 section 41-2032, Arizona Revised Statutes, for at least the following
15 purposes:

16 1. Marketing and advertising of marriage skills classes.

17 2. The community-based relationship skills high school pilot program.

18 Children, youth and families

19 FTE positions 1,535.5

20 Operating lump sum appropriation \$ 91,800,800

21 Fund sources:

22 State general fund \$ 61,447,000

23 Children and family services
24 training program fund 209,600

25 Federal temporary assistance
26 for needy families block
27 grant 30,144,200

28 Adoption services \$ 46,928,300

29 Fund sources:

30 State general fund \$ 36,242,200

31 Federal temporary assistance
32 for needy families block
33 grant 10,686,100

34 Adoption services - academic
35 tutoring \$ 300,000

36 Fund sources:

37 State general fund \$ 300,000

38 Adoption services - family
39 preservation projects \$ 1,000,000

40 Fund sources:

41 Federal temporary assistance
42 for needy families block
43 grant \$ 1,000,000

44 Attorney general legal
45 services \$ 12,273,900

46 Fund sources:

47 State general fund \$ 12,221,700

48 Federal temporary assistance

House Amendments to S.B. 1031

1	for needy families block	
2	grant	52,200
3	Child abuse prevention	\$ 826,900
4	Fund sources:	
5	Child abuse prevention fund	\$ 826,900
6	Children support services	\$ 62,282,400
7	Fund sources:	
8	State general fund	\$ 45,403,300
9	Child abuse prevention fund	750,000
10	Federal temporary assistance	
11	for needy families block	
12	grant	16,129,100
13	Comprehensive medical and dental	
14	program	\$ 2,057,000
15	Fund sources:	
16	State general fund	\$ 2,057,000
17	Child protective services appeals	\$ 732,900
18	Fund sources:	
19	State general fund	\$ 732,900
20	CPS emergency placement	\$ 5,186,500
21	Fund sources:	
22	State general fund	\$ 2,180,100
23	Federal temporary assistance	
24	for needy families block	
25	grant	3,006,400
26	Education and training vouchers	\$ 700,000
27	Fund sources:	
28	State general fund	\$ 700,000
29	Family builders program	\$ 5,200,000
30	Fund sources:	
31	Federal temporary assistance for	
32	needy families block grant	\$ 5,200,000
33	Foster care placement	\$ 23,362,600
34	Fund sources:	
35	State general fund	\$ 17,139,500
36	Federal temporary assistance for	
37	needy families block grant	6,223,100
38	Healthy families	\$ 13,750,000
39	Fund sources:	
40	State general fund	\$ 8,715,800
41	Federal temporary assistance for	
42	needy families block grant	5,034,200
43	Homeless youth intervention	\$ 400,000
44	Fund sources:	
45	Federal temporary assistance for	
46	needy families block grant	\$ 400,000
47	Independent living maintenance	\$ 3,136,000
48	Fund sources:	

House Amendments to S.B. 1031

1	State general fund	\$ 3,136,000
2	Intensive family services	\$ 1,985,600
3	Fund sources:	
4	State general fund	\$ 1,985,600
5	Joint substance abuse - AZ families	
6	F.I.R.S.T.	\$ 7,224,500
7	Fund sources:	
8	State general fund	\$ 5,224,500
9	Federal TANF block grant	2,000,000
10	Permanent guardianship subsidy	\$ 8,051,600
11	Fund sources:	
12	State general fund	\$ 7,192,300
13	Federal temporary assistance for	
14	needy families block grant	859,300
15	CPS residential placement	\$ 17,710,000
16	Fund sources:	
17	State general fund	\$ 6,543,400
18	Federal temporary assistance for	
19	needy families block grant	11,166,600
20	Performance measures:	
21	Per cent of newly hired CPS specialists	
22	completing training within 7 months	
23	of hire	100
24	Per cent of children in out-of-home care	
25	who have not returned to their families	
26	or been permanently placed elsewhere	
27	for more than 24 consecutive months	19
28	Per cent of CPS reports responded to by CPS	
29	staff	100
30	Per cent of CPS original dependencies	
31	cases where court denied or dismissed	<1
32	Per cent of office of administrative hearings	
33	where CPS case findings are affirmed	90
34	Per cent of CPS complaints reviewed by	
35	the office of the ombudsman-citizens	
36	aide where allegations are reported	
37	as valid by the ombudsman	13
38	Average number of days spent in shelter	
39	placements	15
40	Number of children in shelter care more	
41	than 21 days	0
42	Number of children under 3 in shelter care	0
43	Number of children under 6 in group homes	0
44	Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,	
45	any transfer to or from the amounts appropriated for children support	
46	services, CPS emergency placement, CPS residential placement or foster care	
47	placement requires review by the joint legislative budget committee.	
48	Of the amounts appropriated for children support services, CPS	

1 emergency placement, CPS residential placement and foster care placement,
 2 \$22,613,100 is appropriated from the federal temporary assistance for needy
 3 families block grant to the social services block grant for deposit in the
 4 following line items in the following amounts:

5	Children support services	5,371,700
6	CPS emergency placement	2,333,700
7	CPS residential placement	9,833,300
8	Foster care placement	5,074,400

9 The department of economic security shall provide training to any new
 10 child protective services FTE positions before assigning to any of these
 11 employees any client caseload duties.

12 It is the intent of the legislature that the department of economic
 13 security use the funding in the division of children, youth and families to
 14 achieve a one hundred per cent investigation rate.

15 Employment and rehabilitation services

16	FTE positions	559.9
17	Operating lump sum appropriation	\$ 32,426,800
18	Fund sources:	
19	State general fund	\$ 9,847,000
20	Federal child care and development	
21	fund block grant	10,508,800
22	Federal temporary assistance for	
23	needy families block grant	5,897,400
24	Workforce investment act grant	2,282,600
25	Special administration fund	85,000
26	Spinal and head injuries trust	
27	fund	569,500
28	Federal Reed act grant	3,236,500

29 JOBS \$ 23,571,700

30 Fund sources:

31	State general fund	\$ 1,825,200
32	Federal temporary assistance for	
33	needy families block grant	18,246,500
34	Workforce investment act grant	2,000,000
35	Special administration fund	1,500,000

36 Day care subsidy \$162,289,000

37 Fund sources:

38	State general fund	\$ 84,482,900
39	Federal child care and	
40	development fund block grant	69,785,800
41	Federal temporary assistance for	
42	needy families block grant	8,020,300

43 Transitional child care \$ 36,193,000

44 Fund sources:

45	Federal child care and	
46	development fund block	
47	grant	\$ 36,193,000

48 Vocational rehabilitation

1	services	\$ 5,419,100
2	Fund sources:	
3	State general fund	\$ 5,214,400
4	Spinal and head injuries	
5	trust fund	204,700
6	Independent living rehabilitation	
7	services	\$ 2,991,900
8	Fund sources:	
9	State general fund	\$ 1,284,200
10	Spinal and head injuries trust	
11	fund	1,707,700
12	Summer youth employment and training	\$ 1,250,000
13	Fund sources:	
14	State general fund	\$ 1,250,000
15	Workforce investment act - local	
16	governments	\$ 48,040,600
17	Fund sources:	
18	Workforce investment act grant	\$ 48,040,600
19	Workforce investment act -	
20	discretionary	<u>\$ 3,614,000</u>
21	Fund sources:	
22	Workforce investment act grant	\$ 3,614,000
23	Performance measures:	
24	Number of TANF recipients who obtained	
25	employment	17,000
26	Per cent of customer satisfaction with	
27	child care	95.0
28	Vocational rehabilitation individuals	
29	successfully rehabilitated	4,000

30 Of the \$162,289,000 appropriated for day care subsidy, \$115,019,900 is
 31 for a program in which the upper income limit is no more than one hundred
 32 sixty-five per cent of the federal poverty level. This provision shall not
 33 be construed to impose a duty on an officer, agent or employee of the state
 34 to discharge a responsibility or to create any right in a person or group if
 35 the discharge or right would require an expenditure of state monies in excess
 36 of the \$115,019,900 appropriation.

37 The amounts appropriated for day care subsidy and transitional child
 38 care shall be used exclusively for child care costs unless a transfer of
 39 monies is reviewed by the joint legislative budget committee. Monies shall
 40 not be used from these appropriated amounts for any other expenses of the
 41 department of economic security unless a transfer of monies is reviewed by
 42 the joint legislative budget committee.

43 Monies in the child care subsidy and transitional child care line items
 44 shall be used to provide services only to residents of the state of Arizona
 45 who are citizens or legal residents of the United States or who are otherwise
 46 lawfully present in the United States.

47 All spinal and head injuries trust fund receipts received by the
 48 department of economic security in excess of \$2,481,900 are appropriated to

the independent living rehabilitation services line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of \$2,481,900, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

All federal workforce investment act funds for local governments that are received by the state in excess of \$48,040,600 are appropriated to the workforce investment act - local governments line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Agencywide lump sum reduction \$ (64,707,800)

Fund sources:

State general fund \$ (64,707,800)

Performance measures:

Agencywide customer satisfaction rating

(Scale 1-5) 3.8

The department of economic security agencywide lump sum reduction may not be taken against the appropriation made for child protective services.

The above appropriations are in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the child support enforcement program for the month and year-to-date as compared to prior year totals.

Sec. 7. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

2008-09

Administration

FTE positions 72.5

Lump sum appropriation \$ 6,705,300

Fund sources:

State general fund \$ 6,705,300

The lump sum appropriation includes \$291,100 and 4 FTE positions for average daily membership auditing and \$200,000 and 2 FTE positions for information technology security services.

Formula programs

FTE positions 29.0

1 Operating lump sum appropriation \$ 2,198,700
 2 Basic state aid \$3,609,288,700

3 Fund sources:

4 State general fund \$3,564,068,000
 5 Permanent state school fund 45,220,700

6 The above appropriation provides basic state support to school
 7 districts for maintenance and operations funding as provided by section
 8 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in
 9 expendable income derived from the permanent state school fund and from state
 10 trust lands pursuant to section 37-521, subsection B, Arizona Revised
 11 Statutes, for fiscal year 2008-2009.

12 Receipts derived from the permanent state school fund and any other
 13 nonstate general fund revenue source that is dedicated to fund basic state
 14 aid will be expended, whenever possible, before expenditure of state general
 15 fund monies.

16 Except as required by section 37-521, Arizona Revised Statutes, all
 17 monies received during the fiscal year from national forests, interest
 18 collected on deferred payments on the purchase of state lands, the income
 19 from the investment of permanent funds as prescribed by the enabling act and
 20 the Constitution of Arizona and all monies received by the superintendent of
 21 public instruction from whatever source, except monies received pursuant to
 22 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 23 state treasury are appropriated for apportionment to the various counties in
 24 accordance with law. An expenditure shall not be made except as specifically
 25 authorized above.

26 Additional state aid \$ 404,095,500
 27 Special education fund 35,237,700
 28 Other state aid to districts 983,900
 29 Total - formula programs \$4,051,804,500

30 Fund sources:

31 State general fund \$4,006,583,800
 32 Permanent state school fund 45,220,700

33 Non-formula programs

34 FTE positions 149.4
 35 Operating lump sum appropriation \$ 1,766,100
 36 Achievement testing 10,246,200

37 Before making any changes to the achievement testing program that will
 38 increase program costs, the state board of education shall report the
 39 estimated fiscal impact of those changes to the joint legislative budget
 40 committee.

41 AIMS intervention; dropout
 42 prevention 5,550,000
 43 School accountability 4,699,100
 44 Adult education and GED 4,477,900
 45 Chemical abuse 826,300
 46 English learner administration 5,025,500

47 The appropriated amount is to be used by the department of education to
 48 provide English language acquisition services for the purposes of section

15-756.07, Arizona Revised Statutes, and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the department of education to school districts and charter schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The department of education may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of section 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192, Arizona Revised Statutes, the superintendent of public instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

Compensatory instruction fund deposit	10,000,000
Extended school year	500,000
Family literacy	1,011,300
Gifted support	3,385,300
School safety program	6,728,300
Small pass-through programs	681,600

The appropriated amount includes \$50,000 for the academic contest fund, \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance, \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's academy, \$234,000 for Arizona school service through education technology, \$50,000 for project citizen and \$50,000 for the economic academic council and \$100,000 for civics training.

State block grant for early childhood education	19,457,100
State block grant for vocational education	11,467,200
Vocational education extended year	600,000
Disabled pupil scholarships	2,500,000
Displaced pupils choice grant program	2,500,000
Teacher certification	1,994,000

Monies collected by the department of education for teacher certification fees, as authorized by section 15-531, paragraphs 1 and 2, Arizona Revised Statutes, shall be deposited in a teacher certification fund for use in funding costs of the teacher certification program.

Parental choice for reading success	1,000,000
Optional performance incentive programs	120,000
Teacher training	1,000,000

The appropriated amount for the teacher training line item is for the department of education to distribute to the state board of education, which will distribute the monies to the Arizona K-12 center for program implementation and mentor training for the Arizona master teacher program as prescribed by the state board of education.

Alternative teacher development program	\$ 700,000
Total - nonformula programs	\$ 96,235,900

House Amendments to S.B. 1031

1	Fund sources:	
2	State general fund	\$ 87,024,200
3	Proposition 301 fund	7,000,000
4	Teacher certification fund	2,211,700
5	Performance measures:	
6	Per cent of students tested who perform	
7	at or above the national norm on the	
8	norm-referenced test (grade 2)	
9	-- reading	50
10	-- math	55
11	Per cent of students tested who perform	
12	at or above the national norm on the	
13	norm-referenced test (grade 9)	
14	-- reading	56
15	-- math	56
16	Per cent of schools with at least 75% of	
17	students meeting or exceeding standards in:	
18	-- reading	42
19	-- writing	56
20	-- math	42
21	Per cent of Arizona high school students	
22	who enter grade 9 and graduate within	
23	4 years	76
24	Per cent of students in grade 3 meeting	
25	or exceeding state academic standards in:	
26	-- reading	80
27	-- writing	84
28	-- math	80
29	Per cent of students in grade 5 meeting	
30	or exceeding state academic standards in:	
31	-- reading	77
32	-- writing	75
33	-- math	77
34	Per cent of students in grade 8 meeting	
35	or exceeding state academic standards in:	
36	-- reading	73
37	-- writing	86
38	-- math	70
39	Per cent of students in grade 12 meeting	
40	or exceeding state academic standards in:	
41	-- reading	41
42	-- writing	40
43	-- math	27
44	Per cent of students tested:	
45	-- norm-referenced test (grades 2 and 9)	96
46	-- AIMS	98
47	Per cent of Arizona schools receiving an	
48	underperforming label	4

1 Maximum number of days to process
 2 complete certification applications 8
 3 Per cent of customers satisfied with
 4 certification services 92
 5 State board of education
 6 FTE positions 8.0
 7 Operating lump sum appropriation \$ 1,076,100
 8 Fund sources:
 9 State general fund \$ 692,500
 10 Teacher certification fund 383,600
 11 Performance measures:
 12 Per cent of parents who rate "A+" the public
 13 school that their oldest school-age child
 14 attends 9.0
 15 The appropriated amount includes \$100,000 for administering a survey to
 16 a random sample of parents of children in public schools statewide. The
 17 survey shall consist of the following question: "Students are given the
 18 grades A+, A, B, C, D and Fail to denote the quality of their work. Using
 19 the same A+, A, B, C, D and Fail scale, what grade would you give the school
 20 that your oldest child attends?"
 21 The state board of education program may establish its own strategic
 22 plan separate from that of the department of education and based on its own
 23 separate mission, goals and performance measures.
 24 Agencywide lump sum reduction \$ (6,000,000)
 25 Fund sources:
 26 State general fund \$ (6,000,000)
 27 Total appropriation - state board of
 28 education and superintendent
 29 of public instruction \$4,149,821,800
 30 Fund sources:
 31 State general fund \$4,095,005,800
 32 Proposition 301 fund 7,000,000
 33 Permanent state school fund 45,220,700
 34 Teacher certification fund 2,595,300
 35 The department shall provide an updated report on its budget status
 36 every two months for the first half of each fiscal year and every month
 37 thereafter to the president of the senate, the speaker of the house of
 38 representatives, the chairpersons of the senate and house of representatives
 39 appropriations committees, the director of the joint legislative budget
 40 committee and the director of the governor's office of strategic planning and
 41 budgeting. Each report shall include, at a minimum, the department's current
 42 funding surplus or shortfall projections for basic state aid and other major
 43 formula-based programs and shall be due thirty days after the end of the
 44 applicable reporting period.
 45 Within fifteen days of each apportionment of state aid that occurs
 46 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
 47 department shall provide the joint legislative budget committee staff and the
 48 governor's office of strategic planning and budgeting with an electronic

spreadsheet or database copy of data included in the apor55-1 report for that apportionment for each school district and the char55-1 report for that apportionment for each charter school.

Sec. 8. DEPARTMENT OF FINANCIAL INSTITUTIONS

2008-09

FTE positions 57.1

Lump sum appropriation \$ 3,547,600

Fund sources:

State general fund \$ 3,547,600

Performance measures:

Per cent of examinations reports mailed within 25 days of examiner's completion of exam procedures 78.0

Per cent of license applications approved within 45 days of receipt 65.0

Per cent of examinations receiving satisfactory rating 91.0

Average days from receipt to resolution of regular complaints 100.0

Per cent of complainants indicating they received "good" or "better" service when filing a complaint 75.0

The department of financial institutions shall assess and set fees to ensure that monies deposited in the state general fund will equal or exceed its expenditure from the state general fund.

Sec. 9. DEPARTMENT OF HEALTH SERVICES

2008-09

Administration

FTE positions 432.8

Operating lump sum appropriation \$ 17,658,300

Fund sources:

State general fund \$ 14,876,300

Capital outlay stabilization fund 1,578,100

Emergency medical services operating fund 203,900

Indirect cost fund 1,000,000

Assurance and licensure \$ 12,153,100

Fund sources:

State general fund \$ 9,992,500

Federal child care and development fund block grant 829,200

Hearing and speech professionals fund 343,200

Nursing care institution resident protection revolving fund 38,000

Expenditure authority 950,200

Attorney general legal services \$ 444,900

House Amendments to S.B. 1031

1	Fund <u>sources</u> :	
2	State general fund	\$ 394,900
3	Emergency medical services	
4	operating fund	50,000
5	Newborn screening program fund -	
6	indirect costs	\$ 478,600
7	Fund <u>sources</u> :	
8	Newborn screening program fund	\$ 478,600
9	Indirect cost fund	\$ 8,053,000
10	Fund <u>sources</u> :	
11	Indirect cost fund	\$ 8,053,000
12	Performance measures:	
13	Per cent of relicensure surveys completed	
14	on time:	
15	Child care facilities	97
16	Health care facilities	85
17	Per cent of complaint investigations initiated	
18	later than investigative guidelines:	
19	Child care facilities	0
20	Health care facilities	30
21	<u>Public health</u>	
22	FTE positions	248.1
23	Operating lump sum appropriation	\$ 6,660,500
24	Fund sources:	
25	State general fund	\$ 5,823,200
26	Emergency medical services	
27	operating fund	837,300
28	AIDS reporting and surveillance	\$ 1,125,000
29	Fund sources:	
30	State general fund	\$ 1,125,000
31	Alzheimer's disease research	\$ 4,000,000
32	Fund sources:	
33	State general fund	\$ 3,000,000
34	Tobacco tax and health care	
35	fund - health research account	1,000,000
36	Arizona statewide immunization	
37	information system	\$ 517,500
38	Fund sources:	
39	State general fund	\$ 517,500
40	Community health centers	\$ 14,981,300
41	Fund sources:	
42	State general fund	\$ 10,481,300
43	Tobacco tax and health care	
44	fund - medically needy	
45	account	4,500,000
46	County public health	\$ 200,000
47	Fund sources:	
48	State general fund	\$ 200,000

1	County tuberculosis provider	
2	care and control	\$ 1,410,500
3	Fund sources:	
4	State general fund	\$ 1,410,500
5	Diabetes prevention and control	\$ 400,000
6	Fund sources:	
7	State general fund	\$ 400,000
8	Direct grants	\$ 460,300
9	Fund sources:	
10	State general fund	\$ 460,300
11	EMS operations	\$ 3,263,900
12	Fund sources:	
13	Emergency medical services	
14	operating fund	\$ 3,263,900
15	Hepatitis C surveillance	\$ 409,300
16	Fund sources:	
17	State general fund	\$ 409,300
18	Kidney program	\$ 50,500
19	Fund sources:	
20	State general fund	\$ 50,500
21	Laboratory services	\$ 5,334,300
22	Fund sources:	
23	State general fund	\$ 4,357,900
24	Environmental laboratory licensure	
25	revolving fund	976,400
26	Loan repayment	\$ 250,000
27	Fund sources:	
28	State general fund	\$ 100,000
29	Emergency medical services	
30	operating fund	150,000
31	Poison control center funding	\$ 925,000
32	Fund sources:	
33	State general fund	\$ 925,000
34	Reimbursement to counties	\$ 67,900
35	Fund sources:	
36	State general fund	\$ 67,900
37	Renal and nonrenal disease management	\$ 468,000
38	Fund sources:	
39	State general fund	\$ 468,000
40	Scorpion antivenom	\$ 150,000
41	Fund sources:	
42	State general fund	\$ 150,000
43	STD control subventions	\$ 26,300
44	Fund sources:	
45	State general fund	\$ 26,300
46	Telemedicine	\$ 260,000
47	Fund sources:	
48	State general fund	\$ 260,000

1	Teratogen program	\$	60,000
2	Fund sources:		
3	State general fund	\$	60,000
4	Trauma advisory board	\$	405,400
5	Fund sources:		
6	Emergency medical services		
7	operating fund	\$	405,400
8	University of Arizona poison		
9	control center funding	\$	1,275,000
10	Fund sources:		
11	State general fund	\$	1,275,000
12	Valley fever	\$	284,700
13	Fund sources:		
14	State general fund	\$	284,700
15	Vaccines	\$	10,410,400
16	Fund sources:		
17	State general fund	\$	10,410,400
18	Vital records maintenance	\$	502,200
19	Fund sources:		
20	Vital records electronic		
21	systems fund	\$	502,200
22	Performance measures:		
23	Immunization rate among two-year-old		
24	children		84
25	Per cent of high school youth who smoked		
26	in the last month		18
27	Customer waiting time in vital records		
28	lobby (in minutes)		13

29 Of the \$14,981,300 appropriated for community health centers, at least
30 \$564,000 shall be distributed to Yavapai county for county primary care
31 programs.

32 The department of health services may use up to four per cent of the
33 amounts appropriated for renal and nonrenal disease management, community
34 health centers and telemedicine for the administrative costs to implement
35 each program.

36 Monies appropriated for AIDS reporting and surveillance and renal and
37 nonrenal disease management shall be used to provide services only to
38 residents of the state of Arizona who are citizens or legal residents of the
39 United States or who are otherwise lawfully present in the United States.

40 The department of health services shall report to the joint legislative
41 budget committee by February 1, 2009 on the amount of federal monies received
42 for fiscal year 2008-2009 for the 317 vaccine program.

43 The appropriation for direct grants is to provide for local health work
44 and a portion of the cost of employing one public health nurse and one
45 sanitarian in counties with populations of less than 500,000 persons. The
46 monies are to be divided equally among eligible counties on a nonmatching
47 basis. All monies that are received by a county under this appropriation and
48 that are not used for the prescribed purposes revert to the state general

1 fund.

2 The \$67,900 appropriated for reimbursement to counties is to provide
3 matching monies to counties with populations of less than five hundred
4 thousand persons for local health work on an equal matching basis and shall
5 be distributed based on the proportion of funding each county received in
6 fiscal year 2002-2003.

7 The \$200,000 appropriated for county public health shall be distributed
8 as follows to the following counties to reimburse local health departments
9 pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220;
10 Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

11 The department of health services shall require the screening of
12 potential recipients of vaccines for private insurance coverage, eligibility
13 for the federal vaccines for children program and eligibility for the state
14 children's health insurance program. This requirement applies to vaccines
15 purchased with state monies appropriated for the vaccines line item for both
16 the federal 317 program and the state-only immunization program.

17 In allocating its lump sum reduction, the department of health services
18 shall limit its allocation to the Alzheimer's disease research line item to
19 no more than 26.7% of the state general fund appropriation for the
20 Alzheimer's disease research line item.

21 The department of health services shall distribute a pamphlet on
22 umbilical cord blood pursuant to section 36-112, Arizona Revised Statutes.
23 The department shall distribute the pamphlet free of charge to physicians and
24 health care institutions on request and shall make the pamphlet available on
25 its website.

26 Family health

27 FTE positions 96.8

28 Operating lump sum appropriation \$ 6,002,700

29 Fund sources:

30 State general fund \$ 3,821,700

31 Expenditure authority 2,181,000

32 Abstinence funding \$ 1,500,000

33 Fund sources:

34 State general fund \$ 1,500,000

35 Adult cystic fibrosis \$ 105,200

36 Fund sources:

37 State general fund \$ 105,200

38 Adult sickle cell anemia \$ 33,000

39 Fund sources:

40 State general fund \$ 33,000

41 AHCCCS - children's rehabilitative
42 services \$ 81,151,300

43 Fund sources:

44 State general fund \$ 27,688,800

45 Expenditure authority 53,462,500

46 Breast and cervical cancer
47 screening \$ 1,348,600

48 Fund sources:

House Amendments to S.B. 1031

1	State general fund	\$ 1,348,600
2	Child fatality review team	\$ 100,000
3	Fund sources:	
4	Child fatality review fund	\$ 100,000
5	Children's rehabilitative	
6	services	\$ 3,587,000
7	Fund sources:	
8	State general fund	\$ 3,587,000
9	County nutrition services	\$ 330,300
10	Fund sources:	
11	State general fund	\$ 330,300
12	County prenatal services grant	\$ 1,148,500
13	Fund sources:	
14	State general fund	\$ 1,148,500
15	Folic acid	\$ 400,000
16	Fund sources:	
17	Tobacco tax and health care fund -	
18	medically needy account	\$ 400,000
19	Health start	\$ 226,600
20	Fund sources:	
21	State general fund	\$ 226,600
22	High risk perinatal services	\$ 5,430,600
23	Fund sources:	
24	State general fund	\$ 4,980,600
25	Emergency medical services	
26	operating fund	450,000
27	Medicaid special exemption	
28	payments	\$ 1,803,400
29	Fund sources:	
30	State general fund	\$ 615,300
31	Expenditure authority	1,188,100
32	Modular dental buildings	\$ 200,000
33	Fund sources:	
34	State general fund	\$ 200,000
35	Newborn screening program	\$ 5,690,000
36	Fund sources:	
37	Newborn screening program fund	\$ 5,690,000
38	Senior food program	\$ 600,000
39	Fund sources:	
40	State general fund	\$ 600,000
41	Women's services	\$ 501,500
42	Fund sources:	
43	State general fund	\$ 501,500
44	Performance measures:	
45	Number of newborns screened under newborn	
46	screening program	107,214
47	The amounts appropriated for children's rehabilitative services and for	
48	AHCCCS - children's rehabilitative services are intended to cover all costs	

in full for contracts for the provision of services to clients, unless a transfer of monies is reviewed by the joint legislative budget committee.

The department of health services may transfer up to \$350,000 in revenues from the indirect cost fund to the Arizona health care cost containment system administration for the purpose of meeting indirect cost state match requirements related to AHCCCS - children's rehabilitative services program.

Of the \$5,430,600 appropriated for high risk perinatal services \$583,000 shall be distributed to counties.

Monies in the women's services line item shall be used to provide \$20,000 in individual grants to nonprofit agencies whose primary function is to assist pregnant women in seeking alternatives to abortion. Grant monies shall be used to provide medically accurate services and programs related to pregnancy and up to twelve months after birth. Grant monies shall not be used for abortion or abortion referral services or granted to entities that promote, refer or perform abortions. The department may use up to ten per cent of monies appropriated to this line item for any associated administrative costs.

Behavioral health

FTE positions	166.0
Operating lump sum appropriation	\$ 9,592,700
Fund <u>sources</u> :	
State general fund	\$ 4,528,800
Expenditure authority	5,063,900
Arnold v. Sarn	\$ 37,153,100
Fund <u>sources</u> :	
State general fund	\$ 27,500,000
Expenditure authority	9,653,100
Children's behavioral health services	\$ 9,351,800
Fund <u>sources</u> :	
State general fund	\$ 9,351,800
Children's behavioral health state match for title XIX	\$358,971,200
Fund sources:	
State general fund	\$122,432,700
Expenditure authority	236,538,500
Court monitoring	\$ 197,500
Fund sources:	
State general fund	\$ 197,500
Dual eligible part D copay subsidy	\$ 802,600
Fund sources:	
State general fund	\$ 802,600
Medicaid special exemption payments	\$ 20,423,900
Fund sources:	
State general fund	\$ 6,969,100
Expenditure authority	13,454,800

House Amendments to S.B. 1031

1	Medicare clawback payments	\$ 10,718,100
2	Fund sources:	
3	State general fund	\$ 10,718,100
4	Mental health and substance abuse	
5	state match for title XIX	\$105,892,800
6	Fund sources:	
7	State general fund	\$ 36,133,300
8	Expenditure authority	69,759,500
9	Mental health nontitle XIX	\$ 2,447,300
10	Fund sources:	
11	State general fund	\$ 2,447,300
12	Proposition 204 - administration	\$ 6,534,800
13	Fund sources:	
14	State general fund	\$ 2,130,200
15	Expenditure authority	4,404,600
16	Proposition 204 - children's	
17	behavioral health services	\$ 4,532,100
18	Fund sources:	
19	State general fund	\$ 1,546,500
20	Expenditure authority	2,985,600
21	Proposition 204 - general mental	
22	health and substance abuse	\$108,329,900
23	Fund sources:	
24	State general fund	\$ 36,964,900
25	Expenditure authority	71,365,000
26	Proposition 204 - seriously	
27	mentally ill services	\$208,954,800
28	Fund sources:	
29	State general fund	\$ 71,300,600
30	Expenditure authority	137,654,200
31	Seriously emotionally handicapped	
32	children	\$ 500,000
33	Fund sources:	
34	State general fund	\$ 500,000
35	Seriously mentally ill nontitle	
36	XIX	\$ 61,116,700
37	Fund sources:	
38	State general fund	\$ 30,691,900
39	Tobacco tax and health care	
40	fund-medically needy account	30,424,800
41	Seriously mentally ill state match	
42	for title XIX	\$201,129,500
43	Fund sources:	
44	State general fund	\$ 68,585,400
45	Expenditure authority	132,544,100
46	Substance abuse nontitle XIX	\$ 14,635,400
47	Fund sources:	
48	State general fund	\$ 12,135,400

1	Substance abuse services fund	2,500,000
2	Youth methamphetamine prevention	
3	program	\$ 500,000
4	Fund sources:	
5	State general fund	\$ 500,000
6	Crisis intervention training grants	\$ 250,000
7	Fund sources:	
8	State general fund	\$ 250,000
9	Contract compliance	\$ 7,296,500
10	Fund sources:	
11	State general fund	\$ 2,461,100
12	Expenditure authority	4,835,400

13	Performance measures:	
14	Per cent of RBHA title XIX clients	
15	satisfied with services	90
16	Per cent of title XIX population that is	
17	enrolled in a behavioral health service	12

18 The amount appropriated for children's behavioral health services shall
 19 be used to provide services for nontitle XIX eligible children. The amount
 20 shall not be used to pay for either federally or nonfederally reimbursed
 21 services for title XIX eligible children, unless a transfer of monies is
 22 reviewed by the joint legislative budget committee.

23 It is the intent of the legislature that the total amount available in
 24 the Arnold v. Sarn line item be used for the population covered by the Arnold
 25 v. Sarn lawsuit in counties with a population of two million or more persons
 26 and for seriously mentally ill persons that meet the same criteria as those
 27 covered by the Arnold v. Sarn lawsuit in counties with populations of less
 28 than two million persons.

29 It is the intent of the legislature that the per cent attributable to
 30 administration/profit for the regional behavioral health authority in
 31 Maricopa county is nine per cent of the overall capitation rate.

32 The department of health services shall report to the joint legislative
 33 budget committee thirty days after the end of each calendar quarter on the
 34 progress the department is making toward settling the Arnold v. Sarn lawsuit.
 35 The report shall include at a minimum the department's progress towards
 36 meeting the exit criteria and whether the department is in compliance with
 37 the exit criteria schedule.

38 Monies appropriated for youth methamphetamine prevention programs shall
 39 be distributed to a statewide alliance of community-based organizations with
 40 a proven track record in providing substance abuse prevention programming to
 41 children. Programs must serve children in rural, urban and Indian
 42 communities and military bases in Arizona. The department of health services
 43 shall submit a summary of the reports received from the organizations to the
 44 governor, the president of the senate and the speaker of the house of
 45 representatives and the joint legislative budget committee for fiscal year
 46 2008-2009 by August 31, 2009.

47 The \$250,000 appropriation for crisis intervention training grants
 48 shall be used for training and community coordination costs, with input from

stakeholders from the community, to train law enforcement agencies and first responders in best practices in the treatment of individuals with mental illness. Grant monies shall be used by recipients to supplement, and not supplant, existing funding for this purpose. Monies in the crisis intervention training grants line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through fiscal year 2009-2010.

Arizona state hospital

FTE positions	877.7
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Operating lump sum appropriation	\$ 56,984,000
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Fund sources:

State general fund	\$ 50,758,500
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Arizona state hospital fund	4,901,900
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Arizona state hospital land earnings fund	1,323,600
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Community placement treatment	\$ 6,704,800
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Fund sources:

State general fund	\$ 5,574,100
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Arizona state hospital fund	1,130,700
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Sexually violent persons	\$ 11,628,100
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Fund sources:

State general fund	\$ 11,628,100
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Electronic medical records	\$ 300,000
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Fund sources:

State general fund	\$ 300,000
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Performance measures:

Per cent of adult clients successfully placed in community who return for another stay within one year of discharge	6.0
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Agencywide lump sum reduction	\$ (35,061,600)
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Fund sources:

State general fund	\$ (35,061,600)
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The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates for the AHCCCS - children's rehabilitative services line item and any title XIX behavioral health line items, the department of health services shall report its expenditure plan for review by the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint

1 legislative budget committee.

2 In addition to the appropriation for the department of health services,
3 earnings on state lands and interest on the investment of the permanent land
4 funds are appropriated to the state hospital in compliance with the enabling
5 act and the Constitution of Arizona.

6 A monthly report comparing total expenditures for the month and
7 year-to-date as compared to prior year totals shall be forwarded to the
8 president of the senate, the speaker of the house of representatives, the
9 chairpersons of the senate and house of representatives appropriations
10 committees and the director of the joint legislative budget committee by the
11 thirtieth of the following month. The report shall include an estimate of
12 (1) potential shortfalls in programs, (2) potential federal and other funds,
13 such as the statewide assessment for indirect costs, that may be available to
14 offset these shortfalls, and a plan, if necessary, for eliminating any
15 shortfall without a supplemental appropriation, and (3) total expenditure
16 authority of the month and year-to-date for seriously mentally ill state
17 match for title XIX, seriously mentally ill nontitle XIX, children's
18 behavioral health services, children's behavioral health state match for
19 title XIX, mental health nontitle XIX, substance abuse nontitle XIX,
20 seriously emotionally handicapped children and children's rehabilitative
21 services.

22 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
23 any transfer to or from the amounts appropriated for seriously mentally ill
24 state match for title XIX, seriously mentally ill nontitle XIX,
25 Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral
26 health services, children's behavioral health state match for title XIX,
27 mental health nontitle XIX, substance abuse nontitle XIX, mental health and
28 substance abuse state match for title XIX, seriously emotionally handicapped
29 children, children's rehabilitative services, AHCCCS - children's
30 rehabilitative services, adult cystic fibrosis, adult sickle cell anemia,
31 high risk perinatal services, county prenatal services grant, community
32 placement treatment, dual eligible copay subsidy, sexually violent persons,
33 county tuberculosis provider care and control, kidney program, county
34 nutrition services, community health centers, vaccines, renal and nonrenal
35 disease management, AIDS reporting and surveillance, telemedicine, university
36 of Arizona poison center funding, poison control center funding, and women's
37 services shall require review by the joint legislative budget committee. The
38 department may transfer monies between the amounts appropriated for
39 proposition 204 children's behavioral health services, proposition 204
40 seriously mentally ill services and proposition 204 general mental health and
41 substance abuse without review by the joint legislative budget committee but
42 may not transfer monies to and from these line items to any other line item
43 except as provided above without review by the joint legislative budget
44 committee. The amounts appropriated for these items shall be used
45 exclusively for contracts for the provision of services to clients unless a
46 transfer of monies is reviewed by the joint legislative budget committee or
47 unless otherwise permitted to be expended for administrative costs as
48 specified in this act. Monies shall not be used from these appropriated

amounts for any other expenses of the department of health services, unless a transfer of monies is reviewed by the joint legislative budget committee.

Sec. 10. ARIZONA JUDICIARY

2008-09

Supreme court

FTE positions	194.0
Operating lump sum appropriation	\$ 16,854,600
Automation	12,420,400
Case and cash management system	1,517,300
County reimbursements	208,800
Court appointed special advocate	3,558,000
Domestic relations	586,400
Foster care review board	2,429,800
Commission on judicial conduct	436,800
Judicial nominations and performance review	323,200
Model court	497,300
State aid	<u>6,054,300</u>
Total appropriation - supreme court	\$ 44,886,900

Fund sources:

State general fund	\$ 17,426,600
Confidential intermediary and fiduciary fund	488,900
Court appointed special advocate fund	3,456,000
Criminal justice enhancement fund	3,068,200
Defensive driving school fund	5,419,300
Judicial collection enhancement fund	12,082,000
State aid to the courts fund	2,945,900

By September 1, 2008, the supreme court shall report to the joint legislative budget committee on current and future automation projects coordinated by the administrative office of the courts. The report shall include a list of court automation projects receiving or anticipated to receive state monies in the current or next two fiscal years as well as a description of each project, number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multi-year cost by fund source and budget line item, including any prior year, current year and any future year expenditures.

Included in the appropriation for the supreme court program is \$1,000 for the purchase of mementos and items for visiting officials.

All case processing assistance fund receipts received by the administrative office of the courts in excess of \$3,068,200 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of any case processing assistance fund receipts in excess of \$3,068,200 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget

committee.

All defensive driving school fund receipts received by the administrative office of the courts in excess of \$5,419,300 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of any defensive driving school fund receipts in excess of \$5,419,300 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

Notwithstanding any other law, the amount appropriated for rural state aid to the courts shall be allocated to counties with populations of less than five hundred thousand persons.

All judicial collection enhancement fund receipts, excluding revenues resulting from the probation surcharge, received by the administrative office of the courts in excess of \$12,082,000 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of judicial collection enhancement fund receipts in excess of \$12,082,000 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

The administrative office of the courts shall not transfer monies between the supreme court operating budget and the automation line item without review by the joint legislative budget committee.

Court of appeals

FTE positions	147.5
Division I	\$ 9,657,700
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.3
Division II	\$ 4,296,100
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	<u>7.8</u>
Total appropriation - court of appeals	\$ 13,953,800

Fund sources:

State general fund \$ 13,953,800

Of the 147.5 FTE positions for fiscal year 2008-2009, 107.2 FTE positions are for Division I and 40.3 FTE positions are for Division II.

Superior court

FTE positions	230.5
Judges compensation	\$ 18,136,100
Adult standard probation	15,060,600
Adult intensive probation	11,338,000
Community punishment	2,871,700
Interstate compact	656,100
Sex offenders GPS monitoring	436,800
Drug court	1,013,600
Juvenile standard probation	4,726,000
Juvenile intensive probation	9,886,100
Juvenile treatment services	22,504,700

1	Juvenile family counseling	660,400
2	Juvenile crime reduction	<u>5,221,800</u>
3	<u>Probation surcharge</u>	<u>3,425,700</u>
4	Juvenile diversion consequences	10,160,300
5	Special water master	<u>20,000</u>
6	Total appropriation - superior court	\$106,117,900
7	Fund sources:	
8	State general fund	\$ 95,140,000
9	Criminal justice enhancement fund	7,052,200
10	Drug treatment and education fund	500,000
11	Judicial collection enhancement	
12	fund	3,425,700
13	Performance measures:	
14	Customer satisfaction rating by states	
15	participating in the interstate compact	
16	(Scale 1-8)	7.0
17	<u>Juvenile standard probation:</u>	
18	Per cent of probationers successfully	
19	completing probation without a referral	
20	(a notice of misbehavior)	85
21	<u>Juvenile intensive probation (JIPS):</u>	
22	Per cent of probationers successfully	
23	completing probation without a referral	
24	(a notice of misbehavior)	70
25	<u>Adult standard probation:</u>	
26	Per cent of probationers exiting probation	
27	and not committed to county jail or prison	80
28	<u>Adult intensive probation (AIPS):</u>	
29	Per cent of probationers exiting intensive	
30	probation and not committed to county jail	
31	or prison	50

Of the 230.5 FTE positions, 173 FTE positions represent superior court judges. One-half of their salaries are provided by state general fund appropriations pursuant to section 12-128, Arizona Revised Statutes. This is not meant to limit the counties' ability to add judges pursuant to section 12-121, Arizona Revised Statutes.

Up to 4.6 per cent of the amounts appropriated for juvenile probation services - treatment services and juvenile diversion consequences may be retained and expended by the supreme court to administer the programs established by section 8-322, Arizona Revised Statutes, and to conduct evaluations as needed. The remaining portion of the treatment services and juvenile diversion consequences programs shall be deposited in the juvenile probation services fund established by section 8-322, Arizona Revised Statutes.

Receipt of state probation monies by the counties is contingent on the county maintenance of fiscal year 2003-2004 expenditure levels for each probation program. State probation monies are not intended to supplant county dollars for probation programs.

1 All community punishment program receipts received by the
2 administrative office of the courts in excess of \$2,871,700 in fiscal year
3 2008-2009 are appropriated to the community punishment line item. Before the
4 expenditure of any community punishment receipts in excess of \$2,871,700 in
5 fiscal year 2008-2009, the administrative office of the courts shall submit
6 the intended use of the monies for review by the joint legislative budget
7 committee.

8 All juvenile crime reduction fund receipts received by the
9 administrative office of the courts in excess of \$5,221,800 in fiscal year
10 2008-2009 are appropriated to the juvenile crime reduction line item. Before
11 the expenditure of any juvenile crime reduction fund receipts in excess of
12 \$5,221,800 in fiscal year 2008-2009, the administrative office of the courts
13 shall submit the intended use of the monies for review by the joint
14 legislative budget committee.

15 All judicial collection enhancement fund receipts received by the
16 administrative office of the courts resulting from the probation surcharge in
17 excess of \$3,425,700 in fiscal year 2008-2009 are appropriated to the
18 superior court. Before the expenditure of judicial collection enhancement
19 fund receipts in excess of \$3,425,700 in fiscal year 2008-2009, the
20 administrative office of the courts shall submit the intended use of the
21 monies for review by the joint legislative budget committee.

22 By November 1, 2008, the administrative office of the courts shall
23 report to the joint legislative budget committee the fiscal year 2007-2008
24 actual, fiscal year 2008-2009 estimated and fiscal year 2009-2010 requested
25 amounts for the following:

26 1. On a county-by-county basis, the number of authorized and filled
27 case carrying probation positions and non-case carrying positions,
28 distinguishing between adult standard, adult intensive, juvenile standard and
29 juvenile intensive. The report shall indicate the level of state probation
30 funding, other state funding, county funding and probation surcharge funding
31 for those positions.

32 2. Total receipts and expenditures by county and fund source for the
33 adult standard, adult intensive, juvenile standard and juvenile intensive
34 line items, including the amount of personal services expended from each
35 revenue source of each account.

36 3. The amount of monies from the adult standard, adult intensive,
37 juvenile standard and juvenile intensive line items that the office does not
38 distribute as direct aid to counties. The report shall delineate how the
39 office expends these monies that are not distributed as direct aid to
40 counties.

41 Total appropriation - Arizona judiciary \$164,958,600

42 Fund sources:

43 State general fund	\$126,520,400
44 Confidential intermediary and	
45 fiduciary fund	488,900
46 Court appointed special advocate	
47 fund	3,456,000
48 Criminal justice enhancement fund	10,120,400

1	Defensive driving school fund	5,419,300
2	Drug treatment and education fund	500,000
3	Judicial collection enhancement	
4	fund	15,507,700
5	State aid to the courts fund	2,945,900

6 The administrative office of the courts shall submit the intended use
 7 of any reimbursement monies received for review to the joint legislative
 8 budget committee prior to their expenditure.

9 Sec. 11. DEPARTMENT OF JUVENILE CORRECTIONS

10		<u>2008-09</u>
11	FTE positions	1,163.7
12	Lump sum appropriation	\$ 84,866,500
13	Fund sources:	
14	State general fund	\$ 78,895,600
15	State charitable, penal and	
16	reformatory institutions	
17	land fund	2,598,600
18	Criminal justice enhancement fund	689,800
19	State education fund for committed	
20	youth	2,682,500

21	Performance measures:	
22	Escapes from DJC secure care facilities	0
23	Per cent of juveniles passing the general	
24	equivalency diploma language test	56
25	Per cent of juveniles who show progress in	
26	their primary treatment problem area	75
27	Per cent of juveniles returned to custody	
28	within 12 months of release	36

29 The department shall provide a travel stipend to all southwest regional
 30 juvenile correction complex staff whose residence is at least twenty miles
 31 from work.

32 Twenty-five per cent of land earnings and interest from the state
 33 charitable, penal and reformatory institutions land fund shall be distributed
 34 to the department of juvenile corrections, in compliance with section 25 of
 35 the enabling act and the Constitution of Arizona, to be used for the support
 36 of state juvenile institutions and reformatories.

37 Before the expenditure of any state education fund for committed youth
 38 receipts in excess of \$2,682,500, the department of juvenile corrections
 39 shall report the intended use of the monies to the director of the joint
 40 legislative budget committee.

41 Sec. 12. STATE MINE INSPECTOR

42		<u>2008-09</u>
43	FTE positions	17.0
44	Operating lump sum appropriation	\$ 1,470,800
45	Abandoned mines safety fund deposit	<u>182,000</u>
46	Total appropriation - state mine inspector	\$ 1,652,800
47	Fund sources:	
48	State general fund	\$ 1,652,800

1 Performance measures:
 2 Per cent of mandated inspections completed 80
 3 Number of inspections 632
 4 Customer satisfaction rating for mines
 5 (Scale 1-8) 6.0
 6 Sec. 13. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION
 7 2008-09
 8 FTE positions 2.0
 9 Lump sum appropriation \$ 180,000
 10 Fund sources:
 11 State general fund \$ 180,000
 12 Sec. 14. DEPARTMENT OF PUBLIC SAFETY
 13 2008-09
 14 FTE positions 2,123.8
 15 Operating lump sum appropriation \$187,303,400
 16 GIITEM 31,799,700
 17 Officer safety equipment 3,000,000
 18 Motor vehicle fuel 3,935,500
 19 Statewide interoperability design 880,600
 20 Total appropriation - department of public
 21 safety \$226,919,200
 22 Fund sources:
 23 State general fund \$ 57,778,300
 24 Highway user revenue fund 95,656,600
 25 State highway fund 30,343,400
 26 Arizona highway patrol fund 21,620,000
 27 Criminal justice enhancement fund 3,290,300
 28 Safety enforcement and transportation
 29 infrastructure fund 1,564,100
 30 Crime laboratory assessment fund 5,844,600
 31 Arizona deoxyribonucleic acid
 32 identification system fund 3,623,200
 33 Automated fingerprint identification
 34 system fund 3,299,200
 35 Motorcycle safety fund 205,000
 36 Risk management fund 296,200
 37 Parity compensation fund 3,398,300
 38 Performance measures:
 39 Per cent of scientific analysis cases over
 40 30 calendar days old 3.0
 41 Per cent of system reliability of the Arizona
 42 automated fingerprint identification network 98
 43 Clandestine labs dismantled 50
 44 Of the \$31,799,700 appropriated to GIITEM, \$6,000,000 is to be used for
 45 the multijurisdictional task force known as the gang and immigration
 46 intelligence team enforcement mission (GIITEM). If the department of public
 47 safety uses any of the monies appropriated for GIITEM for an agreement or
 48 contract with a city, town, county or other entity to provide services for

1 the GIITEM program, the city, town, county or other entity shall provide at
2 least fifteen per cent of the cost of the services and the department of
3 public safety shall provide not more than eighty-five per cent of personal
4 services costs and employee related expenditures for each agreement or
5 contract but may fund all capital related equipment. Recognizing that states
6 have inherent authority to arrest for any immigration violation, there
7 continues to be a benefit with 287g additional training and a partnership
8 with immigration and customs enforcement and the federal government. The
9 distribution of these monies are contingent on the department of public
10 safety entering into a 287 memorandum of understanding with the United States
11 department of homeland security. The \$6,000,000 is to be used for functions
12 relating to immigration enforcement, including border security and border
13 personnel. As state and local law enforcement officers come into any lawful
14 contact with a suspected illegal alien or with gang or suspected gang members
15 and there is reason to believe that the individual has entered or remained in
16 the United States illegally, the use of these monies is contingent on law
17 enforcement agencies verifying the immigration status of these individuals and
18 taking appropriate action. The \$6,000,000 is exempt from the provisions of
19 section 35-190, Arizona Revised Statutes, relating to the lapsing of
20 appropriations. Any additional positions would assist GIITEM in various
21 efforts, including: 1) arresting illegal aliens, 2) responding to or
22 assisting any county attorney in investigating complaints of employers hiring
23 illegal aliens, 3) investigating crimes of identity theft in the context of
24 hiring illegal aliens and the unlawful entry into the country, and 4) taking
25 enforcement action, as permitted under federal law and article VI of the
26 Constitution of the United States. The department shall submit an expenditure
27 plan to the joint legislative budget committee for review before spending any
28 monies not identified in the department's previous expenditure plans. Within
29 thirty days after the last day of each calendar quarter, the department shall
30 provide a summary of quarterly and year-to-date expenditures and progress to
31 the joint legislative budget committee.

32 Of the \$31,799,700 appropriated to GIITEM, \$10,045,900 is to be used
33 for one hundred department of public safety GIITEM personnel. The additional
34 staff shall include at least fifty sworn DPS positions to be used for
35 immigration enforcement and border security and up to fifty DPS positions to
36 expand GIITEM's public awareness, investigation, and intelligence efforts.
37 The additional positions would assist GIITEM in various efforts, including:
38 1) arresting illegal aliens, 2) responding to or assisting any county
39 attorney in investigating complaints of employers hiring illegal aliens, 3)
40 investigating crimes of identity theft in the context of hiring illegal
41 aliens and the unlawful entry into the country, and 4) taking enforcement
42 action, as permitted under federal law and article VI of the Constitution of
43 the United States. As state and local law enforcement officers come into
44 contact with gang or suspected gang members and there is reason to believe
45 that the individual has entered or remained in the United States illegally, the
46 use of these monies is contingent on law enforcement agencies verifying the
47 immigration status of these individuals and taking appropriate action. The
48 department shall submit an expenditure plan to the joint legislative budget

1 committee for review prior to expending any monies not identified in the
2 department's previous expenditure plans. Within thirty days after the last
3 day of each calendar quarter, the department shall provide a summary of
4 quarterly and year-to-date expenditures and progress to the joint legislative
5 budget committee.

6 Of the \$31,799,700 appropriated to GIITEM, \$2,000,000 is to be
7 allocated to the sheriff's office of a county with a population of more than
8 two million persons for immigration enforcement. When the department of
9 public safety is under an agreement or contract with a county to provide
10 services for the GIITEM program, the county shall provide not less than
11 fifteen per cent of the cost of the services and the department of public
12 safety shall provide not more than eightyfive per cent of personal services
13 and employee related expenditures for each agreement or contract but may fund
14 all capital related equipment. As state and local law enforcement officers
15 come into any lawful contact with a suspected illegal alien or with gang or
16 suspected gang members and there is reason to believe that the individual has
17 entered or remained in the United States illegally, the use of these monies
18 is contingent law enforcement agencies verifying the immigration status of
19 these individuals and taking appropriate action. The \$2,000,000 is exempt
20 from the provisions of section 35-190, Arizona Revised Statutes, relating to
21 the lapsing of appropriations. Any additional positions would assist GIITEM
22 in various efforts including, but not limited to: 1) arresting illegal
23 aliens, 2) responding to or assisting any county attorney in investigating
24 complaints of employers hiring illegal aliens, 3) investigating crimes of
25 identity theft in the context of hiring illegal aliens and the unlawful entry
26 into the country, and 4) taking enforcement action, as permitted under
27 federal law and article VI of the United States Constitution. The department
28 shall submit an expenditure plan to the joint legislative budget committee for
29 review prior to expending any monies not identified in the department's
30 previous expenditure plans. Within thirty days after the last day of each
31 calendar quarter, the department shall provide a summary of quarterly and
32 year-to-date expenditures and progress to the joint legislative budget
33 committee.

34 Of the \$31,799,700 appropriated to GIITEM, \$2,000,000 is to be
35 allocated to the department of public safety for the felony and fugitive task
36 force established in executive order 2008-22 for the activities of the task
37 force. If the department of public safety uses any of the monies
38 appropriated for GIITEM for an agreement or contract with a city, town,
39 county or other entity to provide services for the GIITEM program, the city,
40 town, county or other entity shall provide not less than fifteen per cent of
41 the cost of the services and the department of public safety shall provide
42 not more than eightyfive per cent of personal services and employee related
43 expenditures for each agreement or contract but may fund all capital related
44 equipment. The \$2,000,000 is exempt from the provisions of section 35-190,
45 Arizona Revised Statutes, relating to the lapsing of appropriations. The
46 department shall submit an expenditure plan to the joint legislative budget
47 committee for review prior to expending any monies not identified in the
48 department's previous expenditure plans. Within thirty days after the last

day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures and progress to the joint legislative budget committee.

Of the \$3,000,000 appropriated to officer safety equipment, \$2,500,000 is to be used by the department for personal public safety equipment, including protective body armor, electronic stun devices and digital video equipment, and \$500,000 is to be allocated to the Arizona criminal justice commission for distribution to local law enforcement agencies to retrofit public safety vehicles to aid in the prevention of fires resulting from rear end collisions in fiscal year 2008-2009. The commission shall distribute the monies on a first come first served basis with a maximum of \$1,000 per vehicle. A person or entity that sells or offers to sell an active or passive fire suppression kit shall comply with the testing requirements of section 44-1224, Arizona Revised Statutes.

The operating lump sum appropriation includes a lump sum reduction of \$(2,930,100). This reduction is for administrative costs only and shall not be taken against any monies appropriated for sworn officers.

Any monies remaining in the department of public safety joint account on June 30, 2009 shall revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

Sec. 15. SCHOOL FACILITIES BOARD

	<u>2008-09</u>
FTE positions	20.0
Operating lump sum appropriation	\$ 1,750,000
New school facilities debt service	79,268,400
Building renewal	<u>10,000,000</u>
Total appropriation - school facilities board	\$ 91,018,400
Fund sources:	
State general fund	\$ 91,018,400
Performance measures:	
Per cent of school districts inspected meeting minimum adequacy standards	100
Per cent of school districts rating the board's services as "good" or "excellent" in an annual survey	95

Sec. 16. DEPARTMENT OF TRANSPORTATION

	<u>2008-09</u>
<u>Administration</u>	
FTE positions	412.0
Operating lump sum appropriation	\$ 42,409,600
Attorney general legal services	<u>3,052,600</u>
Total appropriation - administration	\$ 45,462,200
Fund sources:	
State highway fund	\$ 45,462,200
<u>Highways</u>	
FTE positions	2,548.0

1	Operating lump sum appropriation	\$137,941,600
2	Highway maintenance	132,027,000
3	Vehicles and heavy equipment	35,047,800
4	Vehicles and heavy equipment	
5	fuel surcharge	<u>2,000,000</u>
6	Total - highways	\$307,016,400
7	Fund sources:	
8	State general fund	\$ 86,600
9	Safety enforcement and	
10	transportation	
11	infrastructure fund	558,700
12	State highway fund	270,323,300
13	Transportation department	
14	equipment fund	36,047,800
15	Performance measures:	
16	Per cent of Maricopa regional freeway	
17	miles completed for the original	
18	twenty-year half cent sales tax	
19	ending December 31, 2005	100
20	Per cent of Maricopa regional freeway	
21	travel lane miles completed for	
22	the twenty-year half cent sales tax	
23	extension effective January 1, 2006	10.5
24	Per cent of overall highway construction	
25	projects completed on schedule	97
26	Of the total amount appropriated for the highways program, \$132,027,000	
27	in fiscal year 2008-2009 for highway maintenance is exempt from the	
28	provisions of section 35-190, Arizona Revised Statutes, relating to lapsing	
29	of appropriations, except that all unexpended and unencumbered monies of the	
30	appropriation revert to their fund of origin, either the state highway fund	
31	or the safety enforcement and transportation infrastructure fund, on August	
32	31, 2009.	
33	Of the total amount appropriated for the highways program, \$2,663,000	
34	in fiscal year 2008-2009 is for performance pay for participants in the	
35	department's engineer pay plan. The department shall establish performance	
36	measures with measurable quality and quantity objectives for participants in	
37	the engineer pay plan that are designed to result in increased productivity	
38	and improved quality of the delivery of state services or products. The	
39	department shall either apply these performance measures to the entire	
40	engineer pay plan or apply relevant performance measures to subsets within	
41	the engineering pay plan either on a group or individual basis. Every	
42	quarter or month, the department shall review the participants' performance	
43	to determine if the performance measures were met. If the performance	
44	measures are met or exceeded, the applicable participants are entitled to	
45	receive the performance pay for the corresponding quarter.	
46	<u>Motor vehicle</u>	
47	FTE positions	1,755.0
48	Operating lump sum appropriation	\$108,003,600

1	Abandoned vehicle administration	1,039,800
2	Fraud investigation	788,300
3	New third party funding	<u>960,300</u>
4	Total appropriation - motor vehicle	\$110,792,000
5	Fund sources:	
6	Air quality fund	\$ 71,700
7	Driving under the influence	
8	abatement fund	143,300
9	Highway user revenue fund	617,000
10	Motor vehicle liability insurance	
11	enforcement fund	2,456,900
12	Safety enforcement and	
13	transportation infrastructure	
14	fund	1,613,700
15	State highway fund	104,169,700
16	Vehicle inspection and title	
17	enforcement fund	<u>1,719,700</u>
18	Performance measures:	
19	Average office wait time from arriving at	
20	MVD office to receiving numbered ticket	
21	(minutes)	2.0
22	Average office wait time from receiving	
23	numbered ticket to arriving at counter	
24	(minutes)	15.0
25	Per cent of office customers rating	
26	services "good" or "excellent"	83
27	Average telephone wait time to speak	
28	to an MVD employee (minutes)	15.2
29	Per cent of alternative vehicle	
30	registration renewal methods	
31	(mail, internet, third party)	80

The department shall not transfer any funds to or from the motor vehicle division without the review by the joint legislative budget committee.

The department of transportation shall submit quarterly progress reports to the joint legislative budget committee on their progress in improving motor vehicle division wait times and vehicle registration renewal by mail turnaround times. The reports shall document the monthly averages for the total time customers spent at the office and the reasons for changes in these times for each motor vehicle division field office equipped with electronic customer monitoring devices. The reports shall document the wait time to get a numbered ticket from a motor vehicle division employee, the time between receiving the numbered ticket and arriving at the counter and the transaction time at the counter. The reports shall document the number of customers who arrived at motor vehicle division offices but who did not complete their transaction, and the motor vehicle division's average turnaround time for vehicle registration renewal by mail. The reports shall include details by office for all offices in the metropolitan areas which are

defined to include all of Maricopa county, Apache Junction, Tucson and Flagstaff, and summarized for the nonmetropolitan areas. In addition to documenting wait times, the reports shall document the number of primary transactions (driver licenses, titles and vehicle registrations) and secondary transactions (all others), the number of counter positions assigned and filled and the productivity levels (the average number of primary transactions completed by staff and the average number of secondary transactions completed by staff). The reports shall document the number of primary and secondary transactions completed by third parties by metropolitan and nonmetropolitan area offices. The reports are due within thirty days after the end of each calendar quarter.

Aeronautics

FTE positions	33.0
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Lump sum appropriation	\$ 2,353,900
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Fund sources:

State aviation fund	\$ 2,353,900
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Performance measures:

Per cent of airport development projects completed on schedule	95
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Agencywide lump sum reduction	\$ (23,000,000)
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Fund sources:

State highway fund	\$ (23,000,000)
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Total appropriation - department of transportation	\$442,624,500
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Fund sources:

State general fund	\$ 86,600
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Air quality fund	71,700
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Driving under the influence abatement fund	143,300
--	---------

Highway user revenue fund	617,000
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Motor vehicle liability insurance enforcement fund	2,456,900
--	-----------

Safety enforcement and transportation infrastructure fund	2,172,400
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State aviation fund	2,353,900
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State highway fund	396,955,200
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Transportation department equipment fund	36,047,800
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Vehicle inspection and title enforcement fund	1,719,700
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Of the \$442,624,500 appropriation to the department of transportation, the department of transportation shall pay \$16,773,800 in fiscal year 2008-2009 from all funds to the department of administration for its risk management payment.

Sec. 17. STATE TREASURER

2008-09

FTE positions	34.4
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1	Operating lump sum appropriation	\$ 2,834,700
2	Justice of the peace salaries	<u>2,230,100</u>
3	Total appropriation - state treasurer	\$ 5,064,800
4	Fund sources:	
5	State general fund	\$ 5,063,500
6	State treasurer's management fund	1,300
7	Performance measures:	
8	Ratio of yield of LGIP to Standard	
9	and Poor's LGIP index	1.2
10	Ratio of yield of endowment pools to	
11	Big Bond Index	1.1
12	Customer satisfaction rating for local	
13	government investment pool participants	
14	(Scale 1-8)	7.4
15	Before changing the six basis point investment management fee, the	
16	treasurer shall submit the proposed change and its fiscal impact for review	
17	by the joint legislative budget committee.	
18	Sec. 18. UNIVERSITIES	
19	ARIZONA BOARD OF REGENTS	
20		<u>2008-09</u>
21	FTE positions	27.9
22	Operating lump sum appropriation	\$ 2,404,100
23	Arizona teachers incentive program	90,000
24	Arizona transfer articulation	
25	support system	213,700
26	Student financial assistance	10,041,200
27	Math and science teacher initiative	2,250,000
28	Western interstate commission	
29	office	116,000
30	WICHE student subsidies	<u>4,115,000</u>
31	Total appropriation - Arizona board of	
32	regents	\$ 19,230,000
33	Fund sources:	
34	State general fund	\$ 19,230,000
35	Performance measures:	
36	Per cent of graduating seniors who rate	
37	their overall university experience	
38	as "good"/"excellent"	96
39	Per cent of full-time undergraduate students	
40	enrolled per semester in three or more	
41	primary courses with ranked faculty	77
42	Per cent of full-time undergraduate students	
43	enrolled per semester in three or more	
44	primary courses with professors of any rank	44
45	Average number of years taken to graduate	
46	for students who began as freshmen	4.5
47	The \$2,250,000 appropriation from the state general fund for the math	
48	and science teacher initiative shall be deposited into the mathematics,	

science and special education teacher student loan fund if established by section 15-784, Arizona Revised Statutes. Of this amount, the Arizona board of regents shall use \$1,750,000 for student loans to eligible prospective math and science teachers and \$500,000 for student loans to eligible prospective special education teachers. The Arizona board of regents may retain up to \$100,000 of the appropriation for the math and science teacher initiative for administrative costs directly incurred by the board.

Within ten days of the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit an expenditure plan for review by the joint legislative budget committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

ARIZONA STATE UNIVERSITY

	<u>2008-09</u>
FTE positions	8,469.0
Operating lump sum appropriation	\$721,485,200
Biomedical informatics	3,051,800
Downtown Phoenix campus	51,573,100
TRIF lease-purchase payment	<u>3,600,000</u>
Total appropriation - Arizona state university	\$779,710,100
Fund sources:	
State general fund	\$489,792,700
University collections fund	286,317,400
Technology and research initiative fund	3,600,000
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	71
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	35
Average number of years taken to graduate for students who began as freshmen	4.6
External dollars for research and creative activity	\$205,000,000

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

The appropriated monies shall not be used by the Arizona state

1 university college of law legal clinic for any lawsuits involving inmates of
2 the state department of corrections in which the state is the adverse party.

3 Any unencumbered balances remaining in the collections account on June
4 30, 2008 and all collections received by the university during the fiscal
5 year, when paid into the state treasury, are appropriated for operating
6 expenditures, capital outlay and fixed charges. Earnings on state lands and
7 interest on the investment of the permanent land funds are appropriated in
8 compliance with the enabling act and the Constitution of Arizona. No part of
9 this appropriation may be expended for supplemental life insurance or
10 supplemental retirement. Receipts from summer session, when deposited in the
11 state treasury, together with any unencumbered balance in the summer session
12 account, are appropriated for the purpose of conducting summer sessions but
13 are excluded from the amounts enumerated above.

14 NORTHERN ARIZONA UNIVERSITY

15		<u>2008-09</u>
16	FTE positions	2,238.9
17	Operating lump sum appropriation	\$210,718,700
18	NAU - Yuma	<u>2,489,500</u>
19	Total appropriation - Northern Arizona	
20	university	\$213,208,200
21	Fund sources:	
22	State general fund	\$161,468,600
23	University collections fund	51,739,600
24	Performance measures:	
25	Per cent of graduating seniors who rate	
26	their overall university experience	
27	as "good"/"excellent"	98
28	Per cent of full-time undergraduate	
29	students enrolled per semester in	
30	three or more primary courses with	
31	ranked faculty	93
32	Per cent of full-time undergraduate students	
33	enrolled per semester in three or more	
34	primary courses with professors of any rank	65
35	Average number of years taken to graduate for	
36	students who began as freshmen	4.5

37 The state general fund appropriations shall not be used for alumni
38 association funding.

39 The appropriated monies are not to be used for scholarships.

40 The appropriated monies are not to be used to support any student
41 newspaper.

42 Any unencumbered balances remaining in the collections account on June
43 30, 2008 and all collections received by the university during the fiscal
44 year, when paid into the state treasury, are appropriated for operating
45 expenditures, capital outlay and fixed charges. Earnings on state lands and
46 interest on the investment of the permanent land funds are appropriated in
47 compliance with the enabling act and the Constitution of Arizona. No part of
48 this appropriation may be expended for supplemental life insurance or

supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

UNIVERSITY OF ARIZONA

	<u>2008-09</u>
FTE positions	6,645.6
Operating lump sum appropriation	\$481,623,700
Agriculture	40,427,500
Arizona cooperative extension	14,511,900
Sierra Vista campus	5,625,300
Clinical rural rotation	515,200
Clinical teaching support	9,969,700
Liver research institute	544,800
Phoenix medical campus	12,701,700
Telemedicine network	<u>2,237,900</u>
Total appropriation - university of Arizona	\$568,157,700
Fund sources:	
State general fund	\$424,849,800
University collections fund	143,307,900
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	50
Average number of years taken to graduate for students who began as freshmen	4.6

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but

are excluded from the amounts enumerated above.

University budget requests shall provide as much detail for the Phoenix medical campus as for any other budget program. Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or from the amounts appropriated for the Phoenix medical campus line item shall require prior review by the joint legislative budget committee.

On August 15, 2008 and February 15, 2009, the university of Arizona and the Arizona board of regents shall report to the joint legislative budget committee updates concerning the formal relationship between the Phoenix medical campus and area hospitals, partnerships with private medical schools, the availability of clinical rotations for medical students in this state, the creation of new residency positions in this state, the expansion of medical services in this state's rural areas, the attraction of out-of-state medical students to practice in this state and any other strategies being considered or employed to prevent a doctor shortage in this state or the rural areas of this state.

Lump sum reduction	\$ (65,000,000)
Fund sources:	

State general fund	\$ (65,000,000)
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On August 15, 2008, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the \$65,000,000 general fund reduction among university campuses. University reductions shall be made in proportion to the amount of state general fund monies received by each university.

Total appropriation - Universities	\$1,515,306,000
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Fund sources:

State general fund	\$1,030,341,100
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University collections fund	481,364,900
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Technology and research initiative fund	3,600,000
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Sec. 19. Appropriation reductions; fiscal year 2008-2009

Notwithstanding any other law, the following amounts are reduced from the state general fund in fiscal year 2008-2009 as listed below from appropriations made to state agencies:

1. Office of administrative hearings - \$4,500.
2. Arizona department of agriculture - \$2,000,000.
3. Commission on the arts - \$200,000.
4. Attorney general - \$2,456,200.
5. State board for charter schools - \$262,400 and 3 FTE positions.
6. Department of commerce - \$5,730,800 and 16 FTE positions.
7. Corporation commission - \$546,000.
8. Arizona criminal justice commission - \$1,900,000.
9. Department of emergency and military affairs - \$400,000.
10. Department of environmental quality - \$5,147,900.
11. Governor's office of equal opportunity - \$19,500.
12. State board of equalization - \$67,300.
13. Board of executive clemency - \$60,000.
14. Department of fire, building and life safety - \$300,000.

15. Arizona geological survey - \$60,000.
16. Government information technology agency - \$1,500,000.
17. Office of the governor - \$551,900.
18. Governor's office of strategic planning and budgeting - \$173,600.
19. Arizona historical society - \$350,000.
20. Prescott historical society - \$64,000.
21. Arizona commission of Indian affairs - \$223,300.
22. Department of insurance - \$780,100.
23. State land department - \$4,000,000 and 12 FTE positions.
24. Law enforcement merit system council - \$2,000.
25. Auditor general - \$1,386,900.
26. House of representatives - \$927,200.
27. Joint legislative budget committee - \$228,100.
28. Legislative council - \$428,800.
29. Arizona state library, archives & public records - \$778,800.
30. Senate - \$639,900.
31. Department of liquor licenses and control - \$212,100.
32. Board of medical student loans - \$379,000.
33. Department of mines and mineral resources - \$40,000.
34. Arizona state parks board - \$2,340,000 and 21 FTE positions.
35. Personnel board - \$37,100.
36. Arizona pioneers' home - \$1,236,000.
37. Commission for postsecondary education - \$50,000 and 1 FTE position.
38. Arizona department of racing - \$570,200.
39. Radiation regulatory agency - \$165,800.
40. State real estate department - \$922,800.
41. Department of revenue - \$9,072,500 and 16 FTE positions.
42. Secretary of state - \$138,300.
43. State board of tax appeals - \$6,300.
44. Office of tourism - \$6,412,400.
45. Department of water resources - \$4,500,000.
46. Department of weights and measures - \$171,100.

Sec. 20. Fund reduction: game and fish

Notwithstanding any other law, \$1,200,000 is reduced from the watercraft licensing fund in fiscal year 2008-2009 from the appropriation made to the game and fish department.

Sec. 21. Fund reduction: government information technology agency

Notwithstanding any other law, \$1,000,000 and 7.3 FTE positions are reduced from the information technology fund in fiscal year 2008-2009 from the appropriation made to the government information technology agency.

Sec. 22. Appropriation reduction: government information technology agency

Notwithstanding Laws 2007, chapter 259, section 22, the appropriation from the state general fund for the statewide information security and privacy office line item of the government information technology agency is reduced by \$500,000 and 3 FTE positions in fiscal year 2008-2009.

1 Sec. 23. Appropriation reduction: department of public safety
2 parking garage

3 Notwithstanding Laws 2007, chapter 261, section 16, the department of
4 public safety appropriation from the DNA identification system fund is
5 reduced by \$1,000,000 in fiscal year 2008-2009 to delay the construction of a
6 new parking garage.

7 Sec. 24. Appropriation reduction: biomedical research
8 commission

9 Notwithstanding Laws 2007, chapter 263, section 42, the Arizona
10 biomedical research commission appropriation from the state general fund is
11 reduced by \$1,000,000 in fiscal year 2008-2009 to delay the public
12 regenerative tissue repository.

13 Sec. 25. Appropriation reduction: twenty-first century
14 competitive initiative fund

15 Notwithstanding Laws 2007, chapter 260, section 6, the appropriation to
16 department of commerce for the Arizona twenty-first century competitive
17 initiative fund is reduced by \$25,000,000 from the state general fund in
18 fiscal year 2008-2009.

19 Sec. 26. Transfer of fund monies to the state general fund;
20 fiscal year 2008-2009

21 A. On or before June 30, 2009, the following amounts from the funds or
22 sources indicated are transferred to the state general fund for the purposes
23 of providing adequate support and maintenance for agencies of this state:

- 24 1. State board of accountancy:
25 Board of accountancy fund - \$264,000.
- 26 2. Acupuncture board of examiners:
27 Acupuncture board of examiners fund - \$49,100.
- 28 3. Department of administration:
29 Certificate of participation fund - \$750,000.
30 Construction insurance fund - \$11,628,800.
31 Motor vehicle pool revolving fund - \$4,793,500.
32 Retiree accumulated sick leave fund - \$7,597,300.
33 Emergency telecommunication services revolving fund - \$25,085,500.
34 Automation operations fund - \$3,328,200.
35 Telecommunications fund - \$5,989,800.
36 Personnel division fund - \$1,231,900.
37 Risk management revolving fund - \$16,337,000.
38 Special employee health insurance trust fund - \$453,800.
39 Capital outlay stabilization fund - \$3,590,200.
40 Air quality fund - \$49,900.
41 Corrections fund - \$64,400.
42 State surplus materials revolving fund - \$110,400.
- 43 4. Arizona department of agriculture:
44 Agricultural consulting and training fund - \$200,000.
45 Pesticide fund - \$25,000.
46 Seed law fund - \$15,000.
- 47 5. State board of appraisal:
48 Board of appraisal fund - \$200,000.

- 1 6. Arizona commission on the arts:
 - 2 Arts endowment fund - \$7,000,000.
- 3 7. Attorney general - department of law:
 - 4 Anti-racketeering revolving fund - \$302,100.
- 5 8. Board of barbers:
 - 6 Board of barbers fund - \$163,600.
- 7 9. State board of chiropractic examiners:
 - 8 Board of chiropractic examiners fund - \$66,800.
- 9 10. Department of commerce:
 - 10 Commerce and economic development commission fund - \$2,926,100.
 - 11 Greater Arizona development authority revolving fund - \$4,000,000.
 - 12 Job training fund - \$17,300,000.
 - 13 Military installation fund - \$2,000,000.
- 14 11. Registrar of contractors:
 - 15 Registrar of contractors fund - \$2,418,900.
 - 16 Residential contractors' recovery fund - \$10,800,000.
- 17 12. Corporation commission:
 - 18 Utility regulation revolving fund - \$2,632,600.
 - 19 Securities regulatory and enforcement fund - \$1,200,000.
 - 20 Investment management regulatory and enforcement fund - \$500,000.
 - 21 Public access fund - \$339,300.
- 22 13. State department of corrections:
 - 23 Transition office fund - \$339,600.
 - 24 Transition program drug treatment fund - \$100,000.
 - 25 Alcohol abuse treatment fund - \$1,300,000.
- 26 14. Board of cosmetology:
 - 27 Board of cosmetology fund - \$734,600.
- 28 15. Arizona criminal justice commission:
 - 29 Criminal justice enhancement fund - \$100,000.
 - 30 State aid to county attorneys fund - \$800,000.
 - 31 State aid to indigent defense fund - \$1,550,000.
- 32 16. Commission for the deaf and the hard of hearing:
 - 33 Telecommunication fund for the deaf - \$1,044,600.
- 34 17. State board of dental examiners:
 - 35 Dental board fund - \$838,400.
- 36 18. Department of economic security:
 - 37 Spinal and head injuries trust fund - \$395,200.
 - 38 Special administration fund - \$2,900,000.
 - 39 Public assistance collections fund - \$186,900.
 - 40 Utility assistance fund - \$550,000.
- 41 19. Department of education:
 - 42 Special education fund - \$4,234,000.
 - 43 Internal services fund - \$500,000.
- 44 20. Department of emergency military affairs:
 - 45 State armory property fund - \$44,600.
- 46 21. Department of environmental quality:
 - 47 Air quality fund - \$3,667,600.
 - 48 Indirect cost recovery fund - \$2,000,000.

- 1 Recycling fund - \$3,000,000.
- 2 Water quality assurance revolving fund - \$4,000,000.
- 3 Underground storage tank revolving fund - \$12,000,000.
- 4 Emissions inspection fund - \$1,000,000.
- 5 Solid waste fee fund - \$300,000.
- 6 Voluntary vehicle repair and retrofit program fund - \$1,400,000.
- 7 Water quality fee fund - \$700,000.
- 8 Clean water revolving fund - \$2,000,000.
- 9 22. Department of financial institutions:
 - 10 Arizona escrow guaranty fund - \$1,512,700.
 - 11 Receivership revolving fund - \$750,000.
- 12 23. State board of funeral directors and embalmers:
 - 13 Board of funeral directors and embalmers fund - \$274,300.
- 14 24. Arizona game and fish department:
 - 15 Watercraft licensing fund - \$1,200,000.
- 16 25. Government information technology agency:
 - 17 State web portal fund - \$3,000,000.
- 18 26. Department of health services:
 - 19 Intergovernmental agreements fund - \$5,200,000.
 - 20 Emergency medical services operating fund - \$1,000,000.
 - 21 Indirect cost fund - \$4,000,000.
 - 22 Substance abuse services fund - \$1,100,000.
 - 23 Internal services fund - \$50,000.
 - 24 Vital records electronic systems fund - \$100,000.
 - 25 Hearing and speech professionals fund - \$25,000.
 - 26 Poison control fund - \$4,600.
 - 27 Arizona medical board fund - \$25,800.
 - 28 Prescription drug advisory council - \$10,000.
- 29 27. Arizona department of housing:
 - 30 Housing program fund - \$3,100,000.
 - 31 Housing trust fund - \$30,000,000.
 - 32 Intergovernmental agreements fund - \$3,306,400.
- 33 28. Industrial commission of Arizona:
 - 34 Industrial commission administrative fund - \$15,000,000.
- 35 29. Department of insurance:
 - 36 Insurance examiners' revolving fund - \$750,000.
- 37 30. Judiciary:
 - 38 Juvenile delinquent reduction fund - \$5,500,000.
 - 39 Drug treatment and education fund - \$500,800.
 - 40 Arizona lengthy trial fund - \$750,000.
- 41 31. Juvenile corrections:
 - 42 Criminal justice enhancement fund - \$150,000.
- 43 32. Department of liquor license and control:
 - 44 Liquor license special collections fund - \$670,000.
- 45 33. Arizona state lottery commission:
 - 46 State lottery fund - \$4,543,600.
- 47 34. Naturopathic physicians board of medical examiners:
 - 48 Naturopathic physicians board of medical examiners fund - \$360,400.

- 1 35. State board of nursing:
2 Board of nursing fund - \$800,000.
- 3 36. Board of occupational therapy examiners:
4 Occupational therapy fund - \$103,700.
- 5 37. State board of optometry:
6 Board of optometry fund - \$110,000.
- 7 38. Arizona board of osteopathic examiners:
8 Board of osteopathic examiners fund - \$328,900.
- 9 39. Parents commission on drug education and prevention:
10 Drug treatment and education fund - \$3,462,300.
- 11 40. Arizona state parks board:
12 Land conservation fund - administrative account - \$7,500,000.
13 Off-highway vehicle recreation fund - \$760,200.
14 State lake improvement fund - \$6,353,500.
15 State parks enhancement fund - \$1,489,300.
- 16 41. Arizona state board of pharmacy:
17 Board of pharmacy fund - \$429,000.
- 18 42. State board for private postsecondary education:
19 Board for private postsecondary education fund - \$142,400.
- 20 43. State board of psychologist examiners:
21 Board of psychologist examiners fund - \$142,800.
- 22 44. Department of public safety:
23 Automated fingerprint identification system fund - \$500,000.
24 Arizona deoxyribonucleic acid (DNA) identification system fund -
25 \$1,000,000.
26 Arizona highway patrol fund - \$2,000,000.
27 Records processing fund - \$301,600.
- 28 45. Arizona department of racing:
29 Arizona breeders award fund - \$113,500.
30 County fairs racing betterment racing fund - \$200,000.
- 31 46. State real estate department:
32 Condominium recovery fund - \$5,000.
33 Recovery fund - \$202,500.
- 34 47. Department of revenue:
35 Estate and unclaimed property - \$1,133,000.
36 Liability setoff fund - \$850,000.
- 37 48. Structural pest control commission:
38 Structural pest control commission fund - \$359,200.
- 39 49. State board of technical registration:
40 Technical registration fund - \$600,400.
- 41 50. Office of tourism:
42 Tourism fund - \$4,000,000.
- 43 51. Department of transportation:
44 Economic strength project fund - \$1,000,000.
45 Motor vehicle liability insurance enforcement fund - \$4,000,000.
46 State aviation fund - \$18,300,000.
47 Transportation department equipment fund - \$3,100,000.
48 Vehicle inspection and title enforcement fund - \$1,750,000.

1 52. Arizona state veterinary medical examining board:

2 Veterinary medical examining board fund - \$142,100.

3 53. Department of water resources:

4 Arizona water banking fund - \$3,000,000.

5 54. Budget stabilization fund - \$85,000,000.

6 B. Agencies listed shall reduce expenditures from the listed funds
7 accordingly in order to ensure a sufficient fund balance for these fund
8 transfers.

9 C. The listed fund transfers shall be made as soon as practicable.

10 Sec. 27. Vehicle license tax; transfer

11 Notwithstanding section 28-6538, Arizona Revised Statutes, or any other
12 law, the first \$36,139,000 received in fiscal year 2008-2009 pursuant to
13 title 28, chapter 16, article 3, Arizona Revised Statutes, relating to
14 vehicle license tax, for distribution to the state highway fund pursuant to
15 section 28-6538, subsection A, paragraph 1, Arizona Revised Statutes, shall
16 be deposited in the state general fund.

17 Sec. 28. Supplemental appropriation; auditor general

18 The sum of \$2,000,000 is appropriated from the state general fund in
19 fiscal year 2008-2009 to the auditor general for eligibility sample
20 verification.

21 Sec. 29. Supplemental appropriations; corporation commission

22 The sum of \$391,400 and 9 FTE positions are appropriated from the
23 public access fund in fiscal year 2008-2009 to the corporation commission for
24 supplemental funding as follows:

- 25 1. \$338,300 to replace the state of Arizona public access system.
- 26 2. \$53,100 and 1 FTE position to address slow processing times for the
27 annual reports division.
- 28 3. 8 FTE positions for the corporations filings same day service line
29 item.

30 Sec. 30. Supplemental appropriation; Arizona state retirement
31 system

32 The sum of \$267,700 is appropriated from the state retirement system
33 administration account in fiscal year 2008-2009 to the Arizona state
34 retirement system for increases in employee related expenditures.

35 Sec. 31. Supplemental appropriation; commission for
36 postsecondary education

37 The sum of \$900,000 is appropriated from the postsecondary education
38 fund in fiscal year 2008-2009 to the commission for postsecondary education
39 for increases in the leveraging educational assistance partnership line
40 item.

41 Sec. 32. Supplemental appropriation; department of weights and
42 measures

43 A. The sum of \$199,200 is appropriated from the motor vehicle
44 liability insurance enforcement fund in fiscal year 2008-2009 to the
45 department of weights and measures for supplemental funding for increased
46 enforcement of taxi licensing and inspections.

47 B. Before any taxi license is issued, the department of weights and
48 measures shall confirm that the applicant is in compliance with section

23-212, Arizona Revised Statutes.

Sec. 33. Supplemental appropriation; state land department

The sum of \$40,000 is appropriated to the state land department from the environmental special plate fund in fiscal year 2008-2009 for the natural resource conservation districts line item.

Sec. 34. Supplemental appropriation; state board of psychologist examiners

The sum of \$13,500 is appropriated from the board of psychologist examiners fund in fiscal year 2008-2009 to the state board of psychologist examiners for supplemental funding for board member reimbursement and other operating expenditures.

Sec. 35. Supplemental appropriation; board of homeopathic medical examiners

The sum of \$22,400 is appropriated from the board of homeopathic medical examiners' fund in fiscal year 2008-2009 to the board of homeopathic medical examiners for supplemental funding to comply with auditor general performance audit recommendations.

Sec. 36. Supplemental appropriation; department of commerce

The sum of \$750,000 and 4 FTE positions is appropriated to the department of commerce from the commerce and economic development fund in fiscal year 2008-2009 to provide supplemental funding to offset a state general fund reduction.

Sec. 37. Supplemental appropriation; Arizona state parks board

The sum of \$1,500,000 and 21 FTE positions is appropriated from the state parks enhancement fund in fiscal year 2008-2009 to the Arizona state parks board to provide supplemental funding to offset a state general fund reduction.

Sec. 38. Supplemental appropriation; Arizona pioneers' home

The sum of \$1,236,000 is appropriated from the miners' hospital fund in fiscal year 2008-2009 to the Arizona pioneers' home to provide supplemental funding to offset a state general fund reduction.

Sec. 39. Supplemental appropriation; attorney general

The sum of \$1,700,000 is appropriated from the consumer fraud revolving fund in fiscal year 2008-2009 to the attorney general for expenditures relating to the master settlement agreement litigation.

Sec. 40. Department of environmental quality: appropriation limitations

A. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the air permits administration fund in the department of environmental quality shall not exceed \$5,890,300 for fiscal year 2008-2009.

B. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the indirect cost recovery fund in the department of environmental quality shall not exceed \$10,531,000 for fiscal year 2008-2009.

C. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the water quality fee fund in the department of environmental quality shall not exceed \$5,839,100 for fiscal year 2008-2009.

Sec. 41. Appropriation; operating adjustments; annualization

2008-09

1	State employee health insurance	
2	adjustments	\$ 4,003,300
3	Fund sources:	
4	State general fund	\$ 2,291,500
5	Other appropriated funds	1,711,800
6	State employee retirement	
7	adjustments	\$ 1,836,500
8	Fund sources:	
9	State general fund	\$ 1,025,500
10	Other appropriated funds	811,000
11	State employee salary adjustments	\$ 12,365,200
12	Fund sources:	
13	State general fund	\$ 6,584,200
14	Other appropriated funds	5,781,000
15	State-owned space rent adjustments	\$ 2,009,900
16	Fund sources:	
17	State general fund	\$ 1,574,000
18	Other appropriated funds	435,900
19	State telecommunications adjustments	\$ 913,800
20	Fund sources:	
21	State general fund	\$ 913,800
22	State lease-purchase and	
23	privatized-lease-to-own adjustments	\$ 274,000
24	Fund sources:	
25	State general fund	\$ 274,000
26	Human resources pro rata adjustments	\$ 76,900
27	Fund sources:	
28	State general fund	\$ 38,400
29	Other appropriated funds	38,500
30	Risk management adjustments	\$ 292,000
31	Fund sources:	
32	State general fund	\$ 292,000
33	Assistant attorney general salary	
34	adjustments	2,906,200
35	Fund sources:	
36	State general fund	\$ 982,800
37	Other appropriated funds	1,923,400

38 The other appropriated funds may be allocated from the following funds:
39 board of accountancy fund, acupuncture board of examiners fund, air permits
40 administration fund, air quality fund, antitrust enforcement revolving fund,
41 board of appraisal fund, Arizona arts trust fund, assured and adequate water
42 supply administration fund, attorney general legal services cost allocation
43 fund, Arizona automated fingerprint identification system fund, automobile
44 theft authority fund, automation operations fund, state aviation fund, board
45 of barbers fund, board of behavioral health examiners fund, Arizona benefits
46 fund, bond fund, capital outlay stabilization fund, state charitable fund,
47 child abuse prevention fund, child fatality review fund, child support
48 enforcement administration fund, children's health insurance program fund,

1 board of chiropractic examiners fund, citrus, fruit and vegetable revolving
2 fund, collection enforcement revolving fund, commerce and economic
3 development commission fund, commercial feed fund, confidential intermediary
4 and fiduciary fund, agricultural consulting and training fund, consumer
5 protection-consumer fraud revolving fund, corrections fund, board of
6 cosmetology fund, crime laboratory assessment fund, criminal justice
7 enhancement fund, county fair racing fund, court appointed special advocate
8 fund, defensive driving school fund, dental board fund, Arizona
9 deoxyribonucleic acid identification system fund, board of dispensing
10 opticians fund, driving under the influence abatement fund, drug and gang
11 prevention resource center fund, state education fund for committed youth,
12 state education fund for correctional education, state egg inspection fund,
13 election systems improvement fund, emergency medical services operating fund,
14 emissions inspection fund, environmental laboratory licensure revolving fund,
15 estate and unclaimed property fund, Arizona exposition and state fair fund,
16 federal child care and development fund block grant, federal Reed act grant,
17 federal surplus materials revolving fund, federal temporary assistance for
18 needy families block grant, fertilizer materials fund, board of funeral
19 directors' and embalmers' fund, fingerprint clearance card fund, game and
20 fish fund, game, nongame, fish and endangered species fund, hazardous waste
21 management fund, healthcare group fund, hearing and speech professionals
22 fund, state highway fund, Arizona highway patrol fund, highway user revenue
23 fund, board of homeopathic medical examiners' fund, housing trust fund, DHS
24 indirect cost fund, ADEQ indirect cost recovery fund, industrial commission
25 administrative fund, information technology fund, interagency service
26 agreements fund, intergovernmental agreements and grants, investment
27 management regulatory and enforcement fund, judicial collection enhancement
28 fund, land conservation fund administration account, lease-purchase building
29 operating and maintenance fund, liability set-off fund, long-term care system
30 fund, long-term disability administration account, state lottery fund,
31 Arizona medical board fund, the miners' hospital for disabled miners land
32 fund, motor vehicle liability insurance enforcement fund, motor vehicle pool
33 revolving fund, naturopathic physicians board of medical examiners fund,
34 newborn screening program fund, board of nursing fund, nursing care
35 institution administrators' licensing and assisted living facility managers'
36 certification fund, occupational therapy fund, oil overcharge fund, board of
37 optometry fund, board of osteopathic examiners fund, state parks enhancement
38 fund, penitentiary land fund, personnel division fund, pesticide fund,
39 Arizona state board of pharmacy fund, board of physical therapy fund,
40 podiatry fund, postsecondary education fund, prison construction and
41 operations fund, board for private postsecondary education fund, professional
42 employer organization fund, Arizona protected native plant fund, board of
43 psychologist examiners fund, public access fund, public assistance
44 collections fund, racing administration fund, state radiologic technologist
45 certification fund, records services fund, recycling fund, registrar of
46 contractors fund, reservation surcharge revolving fund, residential utility
47 consumer office revolving fund, board of respiratory care examiners fund,
48 state retirement system administration account, risk management revolving

1 fund, safety enforcement and transportation infrastructure fund, Arizona
2 schools for the deaf and the blind fund, securities regulatory and
3 enforcement fund, seed law fund, solid waste fee fund, special administration
4 fund, special employee health insurance trust fund, special services
5 revolving fund, spinal and head injuries trust fund, state aid to the courts
6 fund, Arizona state hospital fund, state board of equalization fund, state
7 surplus materials revolving fund, structural pest control commission fund,
8 substance abuse services fund, teacher certification fund, technical
9 registration fund, telecommunications fund, telecommunication fund for the
10 deaf, telecommunications excise tax fund, tobacco tax and health care fund,
11 transportation department equipment fund, tribal-state compact fund, used oil
12 fund, utility regulation revolving fund, vehicle inspection and title
13 enforcement fund, state veterans' conservatorship fund, state home for
14 veterans' trust fund, veterinary medical examining board fund, victims'
15 rights fund, vital records electronic systems fund, watercraft licensing
16 fund, waterfowl conservation fund, water quality fee fund and workforce
17 investment act grant.

18 State employee health insurance adjustments

19 The amount appropriated for state employee health insurance adjustments
20 shall be for annualizing fiscal year 2007-2008 increases in the employer
21 share of state employee health insurance premiums in agencies receiving
22 fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint
23 legislative budget committee staff shall determine and the department of
24 administration shall allocate to each agency's or department's
25 employee-related expenditures an amount for the employer share of the
26 employee health insurance increases. The joint legislative budget committee
27 staff shall also determine and the department of administration shall
28 allocate adjustments, as necessary, in expenditure authority to allow
29 implementation of state employee health insurance adjustments.

30 State employee retirement adjustments

31 The amount appropriated for state employee retirement contribution
32 adjustments shall be for annualizing fiscal year 2007-2008 increases in the
33 employer share of state employee retirement contributions in agencies
34 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
35 The joint legislative budget committee staff shall determine and the
36 department of administration shall allocate to each agency's or department's
37 employee-related expenditures an amount for the employer share of the
38 employee retirement contribution increase. The joint legislative budget
39 committee staff shall also determine and the department of administration
40 shall allocate adjustments, as necessary, in expenditure authority to allow
41 implementation of state employee retirement contribution adjustments.

42 Salary adjustments

43 The amount appropriated for salary adjustments includes personal
44 services and employee-related expenditures for state officers and employees
45 in accordance with this act.

46 For fiscal year 2008-2009, the joint legislative budget committee staff
47 shall determine and the department of administration shall allocate to each
48 agency or department an amount for annualizing fiscal year 2007-2008

1 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
2 Laws 2007, chapter 255. The joint legislative budget committee staff shall
3 also determine and the department of administration shall allocate
4 adjustments, as necessary, in expenditure authority to allow implementation
5 of salary adjustments.

6 State owned space rent adjustments

7 The amount appropriated for agency rent adjustments shall be used for
8 annualizing fiscal year 2007-2008 adjustments for state owned space increases
9 from \$15.50 per square foot to \$19.50 per square foot for office space, and
10 increases from \$6.00 per square foot to \$7.00 per square foot for storage
11 space in agencies receiving fiscal year 2008-2009 appropriations in Laws
12 2007, chapter 255.

13 For fiscal year 2008-2009, the joint legislative budget committee staff
14 shall determine and the department of administration shall allocate to each
15 agency or department an amount for annualizing fiscal year 2007-2008
16 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
17 Laws 2007, chapter 255.

18 State telecommunications adjustments

19 The amount appropriated for state telecommunications adjustments shall
20 be to annualize fiscal year 2006-2007 increases and for fiscal year 2007-2008
21 adjustments in agency or department telecommunication charges in agencies
22 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
23 The joint legislative budget committee staff shall determine and the
24 department of administration shall allocate to each agency or department an
25 amount for the contribution increase. The joint legislative budget committee
26 staff shall also determine and the department of administration shall
27 allocate adjustments, as necessary, in expenditure authority to allow
28 implementation of state telecommunications adjustments.

29 State lease-purchase and privatized-lease-to-own adjustments

30 The amount appropriated for state lease-purchase and
31 privatized-lease-to-own adjustments shall be for annualizing fiscal year
32 2007-2008 adjustments in agency or department lease-purchase and
33 privatized-lease-to-own charges in agencies receiving fiscal year 2008-2009
34 appropriations in Laws 2007, chapter 255. The joint legislative budget
35 committee staff shall determine and the department of administration shall
36 allocate to each agency or department an amount for the contribution
37 increase. The joint legislative budget committee staff shall also determine
38 and the department of administration shall allocate adjustments, as
39 necessary, in expenditure authority to allow implementation of state
40 lease-purchase and privatized-lease-to-own adjustments.

41 Human resources pro rata adjustments

42 The amount appropriated for state human resources pro rata adjustments
43 shall be for annualizing increased fiscal year 2007-2008 rates in agency or
44 department human resources pro rata charges in agencies receiving fiscal year
45 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative
46 budget committee staff shall determine and the department of administration
47 shall allocate to each agency or department an amount for the contribution
48 increase. The joint legislative budget committee staff shall also determine

1 and the department of administration shall allocate adjustments, as
2 necessary, in expenditure authority to allow implementation of state human
3 resources pro rata adjustments.

4 Risk management adjustments

5 The amount appropriated for state risk management adjustments shall be
6 for annualizing new fiscal year 2007-2008 adjustments in agency or department
7 risk management charges in agencies receiving fiscal year 2008-2009
8 appropriations in Laws 2007, chapter 255. The joint legislative budget
9 committee staff shall determine and the department of administration shall
10 allocate to each agency or department an amount for the contribution
11 increase. The joint legislative budget committee staff shall also determine
12 and the department of administration shall allocate adjustments, as
13 necessary, in expenditure authority to allow implementation of state risk
14 management adjustments.

15 Assistant attorney general salary adjustments

16 For fiscal year 2008-2009, the joint legislative budget committee staff
17 shall determine and the department of administration shall allocate to the
18 office of the attorney general and its client agencies the amount necessary
19 to annualize a fiscal year 2007-2008 salary adjustment to assistant attorney
20 generals. The amount of the salary adjustment for each assistant attorney
21 general shall be determined by the attorney general and is in addition to the
22 statewide salary adjustment provided by this section.

23 Of the total \$982,800 general fund allocations, \$859,100 is for
24 distribution to the attorney general, \$83,900 is for distribution to agencies
25 that pay interagency service agreements with general fund appropriations, and
26 \$39,800 is for distribution to agencies that pay the attorney general pro
27 rata charge with general fund appropriations. Of the total \$1,923,400 other
28 appropriated fund allocation, \$1,638,500 is for distribution to the attorney
29 general, \$18,800 is for distribution to the game and fish department,
30 \$244,300 is for distribution to agencies that pay interagency service
31 agreements with other appropriated fund appropriations, and \$21,800 is for
32 distribution to agencies that pay the attorney general pro rata charge with
33 other appropriated fund appropriations.

34 Sec. 42. State owned space rent adjustments: state
35 lease-purchase and privatized lease-to-own
36 adjustments

37 State owned space rent adjustments	\$1,340,000
38 Fund sources:	
39 State general fund	\$1,060,000
40 Other appropriated funds	280,000
41 State lease-purchase and privatized	
42 lease-to-own adjustments	\$(150,000)
43 Fund sources:	
44 Other appropriated funds	\$(150,000)

45 The amount appropriated for rent adjustments shall be used to fund
46 agency rent charges for state owned space increases from \$19.50 per square
47 foot to \$21.02 per square foot for office space and increases from \$7.00 per
48 square foot to \$7.62 per square foot for storage space.

1 For fiscal year 2008-2009, the joint legislative budget committee staff
2 shall determine and the department of administration shall allocate to each
3 agency or department an amount for these adjustments.

4 The amount appropriated for state lease-purchase and privatized
5 lease-to-own adjustments shall be for fiscal year 2008-2009 adjustments in
6 agency or department lease-purchase and privatized lease-to-own charges. The
7 joint legislative budget committee staff shall determine and the department
8 of administration shall allocate to each agency or department an amount for
9 the contribution increase. The joint legislative budget committee staff
10 shall also determine and the department of administration shall allocate
11 adjustments, as necessary, in expenditure authority to allow implementation
12 of state lease-purchase and privatized lease-to-own adjustments.

13 Sec. 43. Hiring appropriations: fiscal year 2007-2008:
14 reversionment

15 A. Notwithstanding any other law, \$5,309,300 appropriated from the
16 state general fund and \$4,690,700 appropriated from other state funds that
17 were appropriated to state budget units for fiscal year 2008-2009 and from
18 nonfederal nonappropriated funds for hiring of state employees shall not be
19 expended or encumbered. The joint legislative budget committee shall
20 determine and the department of administration shall allocate the amount of
21 the reversionment or transfer to each state agency or department.

22 B. The amounts determined pursuant to subsection A of this section
23 shall remain in or be reverted or transferred to the state general fund on
24 the effective date of this act.

25 Sec. 44. Legislative intent: expenditure reporting

26 It is the intent of the legislature that all departments, agencies or
27 budget units receiving appropriations under the terms of this act shall
28 continue to report actual, estimated and requested expenditures by budget
29 programs and budget classes in a format that is similar to the budget
30 programs and budget classes used for budgetary purposes in prior years. A
31 different format may be used if deemed necessary to implement section 35-113,
32 Arizona Revised Statutes, agreed to by the director of the joint legislative
33 budget committee and incorporated into the budget preparation instructions
34 adopted by the governor's office of strategic planning and budgeting pursuant
35 to section 35-112, Arizona Revised Statutes.

36 Sec. 45. FTE positions: reporting: definition

37 Full-time equivalent (FTE) positions contained in this act are subject
38 to appropriation. The director of the department of administration shall
39 account for the use of all appropriated FTE positions excluding those in the
40 department of economic security, the universities and the department of
41 environmental quality. The director shall submit the fiscal year 2008-2009
42 report by August 1, 2009 to the director of the joint legislative budget
43 committee. The reports shall compare the level of FTE usage in each fiscal
44 year to the appropriated level. For the purposes of this section, "FTE
45 positions" shall mean the total number of hours worked, including both
46 regular and overtime hours as well as hours taken as leave, divided by the
47 number of hours in a work year. The director of the department of
48 administration shall notify the director of each budget unit if the budget

1 unit has exceeded its number of appropriated FTE positions. The above
2 excluded agencies shall each report to the director of the joint legislative
3 budget committee in a manner comparable to the department of administration
4 reporting.

5 Sec. 46. Filled FTE positions; reporting

6 By October 1, 2008, each agency, including the judiciary and
7 universities, shall submit a report to the director of the joint legislative
8 budget committee on the number of filled, appropriated FTE positions by fund
9 source. The number of filled, appropriated FTE positions reported shall be
10 as of September 1, 2008.

11 Sec. 47. Performance measure results; reporting

12 As part of its fiscal year 2009-2010 budget request, agencies shall
13 submit the fiscal year 2007-2008 result for the performance measures listed
14 in this act. Agencies receiving fiscal year 2008-2009 budgets in Laws 2007,
15 chapter 235, shall submit the fiscal year 2007-2008 result for the
16 performance measures listed in that act as part of their fiscal year
17 2009-2010 budget request. If an agency fails to submit this information, it
18 shall submit a report to the joint legislative budget committee staff and the
19 office of strategic planning and budgeting as part of its fiscal year
20 2009-2010 budget request on why the agency failed to submit its results for
21 the performance measure.

22 Sec. 48. Transfer of spending authority

23 The department of administration shall report monthly to the director
24 of the joint legislative budget committee on any transfers of spending
25 authority made pursuant to section 35-173, subsection C, Arizona Revised
26 Statutes, during the prior month.

27 Sec. 49. Interim reporting requirements

28 A. State general fund revenue for fiscal year 2007-2008, not including
29 the beginning balance and including one-time revenues, is forecasted to be
30 \$9,138,365,500.

31 B. State general fund revenue for fiscal year 2008-2009, not including
32 the beginning balance and including one-time revenues, is forecasted to be
33 \$10,067,561,600.

34 C. The executive branch shall provide to the joint legislative budget
35 committee a preliminary estimate of the fiscal year 2007-2008 state general
36 fund ending balance by September 15, 2008. The preliminary estimate of the
37 fiscal year 2008-2009 state general fund ending balance shall be provided by
38 September 15, 2009. The estimate shall include projections of total
39 revenues, total expenditures and ending balance. The department of
40 administration shall continue to provide the final report for the fiscal year
41 in its annual financial report pursuant to section 35-131, Arizona Revised
42 Statutes.

43 D. Based on the information provided by the executive branch, the
44 staff of the joint legislative budget committee shall report to the joint
45 legislative budget committee by October 15 of 2008 and 2009 as to whether
46 that fiscal year's revenues and ending balance are expected to change by more
47 than \$50,000,000 from the budgeted projections. The executive branch may
48 also provide its own estimates to the joint legislative budget committee by

1 October 15 of each year.

2 Sec. 50. Definition

3 For the purposes of this act, "*" means this appropriation is a
4 continuing appropriation and is exempt from the provisions of section 35-190,
5 Arizona Revised Statutes, relating to lapsing of appropriations.

6 Sec. 51. Definition

7 For the purposes of this act, "***" means this appropriation is
8 available for use pursuant to section 35-143.01, subsection C, Arizona
9 Revised Statutes, and is exempt from the provisions of section 35-190,
10 Arizona Revised Statutes, relating to lapsing of appropriations, until June
11 30, 2009.

12 Sec. 52. Definition

13 For the purposes of this act, "expenditure authority" means that the
14 fund sources are continuously appropriated monies that are included in the
15 individual line items of appropriations.

16 Sec. 53. Definition

17 For the purposes of this act, "review by the joint legislative budget
18 committee" means a review by a vote of a majority of a quorum of the
19 members."

20 Amend title to conform

and, as so amended, it do pass

RUSSELL K. PEARCE
Chairman

1031-se-approp
6/25/08
H:jjb

1031rp*
06/23/2008
3:21 PM
C: mu